NOVA MSC BERHAD
(200201024235 (591898-H))

# PROVEN SOLUTIONS, CONTINUOUS INNOVATIONS

ANNUAL REPORT 2025

# CONTENTS



Annual Report are now available on our website at www.nova-hub.com/annual-reports/ or you may scan the above QR Code to access it online.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Loh Guan Huat Sunny**
*Chairman, Executive Director*

**Peter Wayne Thompson**
*Deputy Chairman, Independent Non-Executive Director*

**Lai Teik Kin**
*Executive Director*

**Nazerollnizam Bin Kasim**
*Executive Director*

**Lim Hak Min**
*Independent Non-Executive Director*

**David Choo Boon Leong**
*Independent Non-Executive Director*

**Dato' Law Song Ting, Adriana**
*Independent Non-Executive Director*

## AUDIT COMMITTEE

**Lim Hak Min**
*Chairman, Independent Non-Executive Director*

**Peter Wayne Thompson**
*Independent Non-Executive Director*

**David Choo Boon Leong**
*Independent Non-Executive Director*

## NOMINATION & RENUMERATION COMMITTEE

**Peter Wayne Thompson**
*Chairman, Independent Non-Executive Director*

**Lim Hak Min**
*Independent Non-Executive Director*

**David Choo Boon Leong**
*Independent Non-Executive Director*

## ESOS COMMITTEE

**Lim Hak Min**
*Chairman, Independent Non-Executive Director*

**Lai Teik Kin**
*Executive Director*

## COMPANY SECRETARY

**Tan Kean Wai** (MAICSA 7056310)
SSM PC No. 202008000801

## REGISTERED OFFICE

No. 5-1, Jalan Radin Bagus 9
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : (03) 9054 1498
Fax : (03) 9054 1498

## BUSINESS OFFICE

A-18-3, Tower A, Level 18
Northpoint, Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : (03) 2283 6628
Fax : (03) 2283 2628

## SHARE REGISTRARS OFFICE

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (03) 7890 4700
Fax : (03) 7890 4670

## AUDITORS

LTTH PLT (LLP0020047-LCA & AF-0071)
No. 29A, Jalan SS22/19
47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (03) 03-77278971

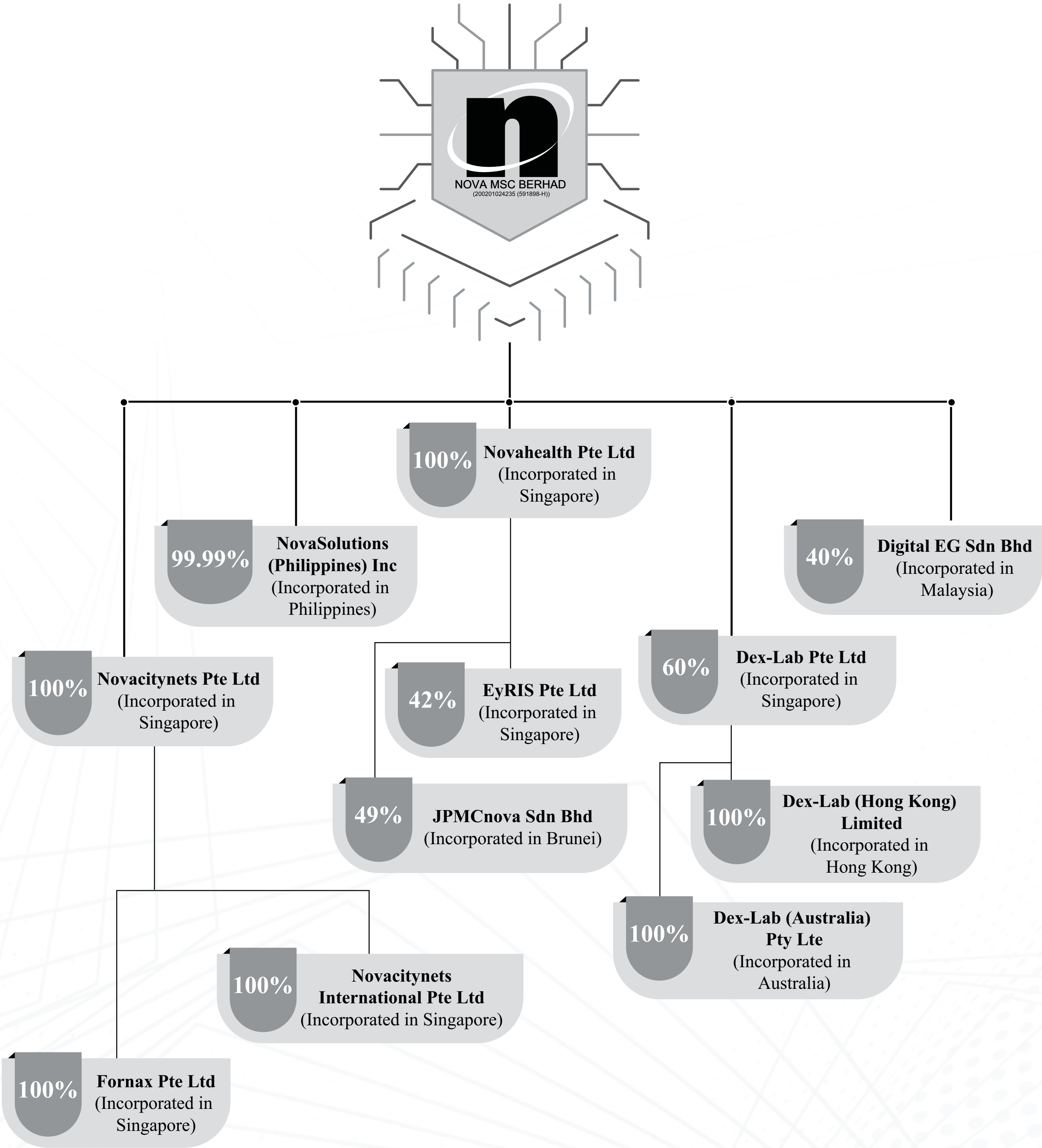
## STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: NOVAMSC
Stock Code: 0026

## CORPORATE WEBSITE

www.nova-hub.com

# GROUP STRUCTURE



# PROFILE OF DIRECTORS

**Loh Guan Huat Sunny,**
***62, Male, Singaporean,***
***Chairman,***
***Executive Director***

**Mr Loh Guan Huat Sunny** was appointed as Executive Chairman of the Company on 1 April 2021.

Besides the Company, Mr Loh is currently the Non-Executive Director of GBM Resource Ltd, a company listed in Australian Stock Exchange (ASX).

Prior to venturing out on his own, Mr Loh was the Chief Executive Officer, Vice Chairman and board member of a Sino-foreign JV professional investment bank based in Shanghai, which focused on corporate restructuring, disposal of state-owned companies as well as merger and acquisition (M&A) advisory. Before his stint in Shanghai, he was the Managing Director of three divisions with Hanson Pacific, a wholly-owned subsidiary of Hanson PLC which was listed in US, London and Australia. His role included M&A activities, restructuring of companies, identify suitable/potential target companies as well as overseeing the daily operations of the three divisions.

Mr Loh has a Master Degree in Strategic Marketing from the University of Hull and a Bachelor Degree in Business Administration from the National University of Singapore. He is also a member of the Chartered Secretaries Institute of Singapore.

Mr Loh does not have any family relationship with any other Directors and/or major shareholders of the Company. Neither has he been convicted of any offences in the last five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all five (5) Board Meetings held in the financial year ended 30 June 2025.

**Peter Wayne Thompson,**
***68, Male, Australian,***
***Deputy Chairman,***
***Independent Non-Executive Director***

**Mr Peter Wayne Thompson** was appointed as Independent Non-Executive Director of the Company on 1 June 2017. He is the Chairman of the Nomination and Remuneration Committee and is a member of the Audit Committee.

Mr Thompson qualified as a Certified Practising Accountant (CPA) and graduated from Edith Cowan University in 1978. Peter also attained a Fellow member of the Institute of Chartered Secretaries and Fellow Governance Institute of Australia.

He has over 40 years' experience in the resource industry in UK, Asia, Australia and South America holding senior global roles. Key skills include public company corporate management, asset acquisition and divestment and project development.

Mr Thompson does not have any family relationship with any other Directors and/or major shareholders of the Company. Neither has he been convicted of any offences in the last five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all five (5) Board Meetings held in the financial year ended 30 June 2025.

# Profile of Directors
(Continued)

**Lai Teik Kin,**
***61 Male, Singaporean,***
***Executive Director***

**Mr Lai Teik Kin** is a founder of the Group and was appointed as Executive Director on 28 May 2019. He is a member of the ESOS Committee. He also serves as Executive Director and Chief Executive Officer of novaHEALTH Pte Ltd since 1999 and Eyris Pte Ltd since 2018. His current responsibilities include the formulation and implementation of the business strategies and policies of the healthcare and Eyris business units to achieve long-term business objectives.

Earlier in his career and before co-founding the Nova MSC Group, Mr Lai was involved in implementation of large scale & regional e-government projects. From 2005-2012, Mr Lai also served as an Independent Non-Executive Director on the Board of MTouche Berhad, a public-listed company in Malaysia which is a forerunner and leader in wireless network technologies, mobile messaging services and interactive media applications. In 2016, Mr Lai was appointed Business Mentor to the Singapore National Eye Centre (SNEC) Ophthalmic Technologies Incubator to provide business insights and guidance. In 2018, Mr Lai spearheaded a spin-off of EyRIS jointly with Singapore Eye Research Institute (SERI) and National University of Singapore-School of Computing (NUS-SoC) to develop and commercialize the artificial intelligence (AI) solutions for the healthcare industry. SELENA+, our first AI solution, performs automated image analysis for eye diseases such diabetes retinopathy with add-on modules for glaucoma and age-related macular degeneration. He holds a Bachelor (Hons) in Surveying from the University of Queensland, Australia.

Mr Lai does not have any family relationship with any other Directors and/or major shareholders of the Company or any conflict of interest with the Company. Neither has he been convicted of any offences in the last five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all five (5) Board Meetings held in the financial year ended 30 June 2025.

**Lim Hak Min,**
***52, Male, Singaporean,***
***Independent Non-Executive Director***

**Mr Lim Hak Min** was appointed as Independent Non-Executive Director of the Company on 1 June 2017. He is the Chairman of the Audit Committee and ESOS Committee, and is a member of the Nomination and Remuneration Committee.

Mr Lim currently holds a Master of Public Administration, a Master of Science (Financial Engineering) and a Bachelor of Accountancy from Nanyang Technological University. He is a member of the CPA Australia, Association of Investment Management and Research and Institute of Singapore Chartered Accountants.

Mr Lim, a Director for Corporate Service Division in Skills Future Singapore Agency, is currently being seconded to National Library Board as a Director – Finance, Procurement & Administration. He has experience in Corporate Finance, Corporate Governance, Merger & Acquisition and Investment especially in private equity space.

Mr Lim does not have any family relationship with any other Directors and/or major shareholders of the Company. Neither has he been convicted of any offences in the last five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all five (5) Board Meetings held in the financial year ended 30 June 2025.

# Profile of Directors
(Continued)

**David Choo Boon Leong,**
***61, Male, Malaysian,***
***Independent Non-Executive Director***

**Mr David Choo** was appointed as Independent Non-Executive Director of the Company on 28 August 2018. He is a member of the Audit Committee and Nomination and Remuneration Committee.

Mr Choo has close to 30 years of experience in the Information Technology field of which, more than 20 years are in management role. He started his career as an officer with the Systems & Methods Department of MBF Finance, one of the largest Finance Company (1985) in Malaysia and became a Senior Manager of its Information Services division. Mr Choo then joined WorldGroup Consulting, an international IT Consulting company as a Principal Consultant / Project Manager. He was then promoted to the position of Consulting Services Director responsible for the consulting practice for its South East Asia operation. Mr Choo was also accredited the Project Management Professional by the Project Management Institute in 2010 (PMP® No. 1356595) until his resignation from WorldGroup Consulting in 2015. He holds an MBA in Information Technology Management (Distinction) from the Netherland's Maastricht School of Management.

Mr Choo does not have any family relationship with any other Directors and/or major shareholders of the Company. Neither has he been convicted of any offences in the last five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all five (5) Board Meetings held in the financial year ended 30 June 2025.

**Dato' Law Song Ting, Adriana**
***58, Female, Malaysian,***
***Independent Non-Executive Director***

**Dato' Law Song Ting, Adriana** was appointed as Independent Non-Executive Director of the Company on 26 June 2023.

Dato' Law is currently the Managing Director of The Grand Events (M) Sdn Bhd and V Success Group Sdn Bhd. She brings two decades of experience in event and exhibition management to the Board. She held several senior leadership positions previously, including CEO roles at two Star Media Group's subsidiaries known as I.Star Ideas Factory Sdn Bhd and I.Star Events Sdn Bhd. Throughout her time with Star Media Group, she spearheaded the group's venture into a multitude of events that span across lifestyle, education, health, animation, fun run and more.

She had also previously worked with Southern Bank Berhad and CIMB Bank Berhad to launch Malaysia's first on-the-spot rewards programme that accelerated their credit card business. This led her to the creation of Perfect Livin in 2008, growing to become the leading home and living exhibition in Malaysia within 4 years of establishment.

Currently she is actively engaged in promoting and managing iOi Grand Exhibition & Convention Centre. Her expertise will be valuable as the Group aims to expand its outreach and engagement activities.

Dato' Law does not have any family relationship with any other Directors and/or major shareholders of the Company. Neither has she been convicted of any offences in the last five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. She attended all five (5) Board Meetings held in the financial year ended 30 June 2025.

# Profile of Directors
(Continued)

**Mr Nazerollnizam Bin Kasim,**
***57, Male, Malaysian,***
***Executive Director***

**Mr Nazerollnizam** was appointed as Executive Director of the Company on 26 June 2023. He is also currently the General Manager of the Company.

Mr Nazerollnizam has been a leading figure in the IT industry for the past 30 years. His experience encompasses diverse areas, from enterprise business applications to digital transformation and technology solutions that enhance operations across various industries. Throughout his career in IT, he has been with local and world's renowned multinational IT companies, including Infor Malaysia, SAP Malaysia, IBM Malaysia, GSI Sdn Bhd, helping business entities of many sizes adopting new business applications and undertaking digital transformation and technology solutions to enhance their operations. In the last 22 years, his responsibilities have revolved around leadership and management roles, with primary focus on people, sales strategy, business management and operation. He has a proven track record and experience in providing business application solutions and ERP to various industries – Oil and Gas, Telco, Utility – water & power, Transportation, Consumer Goods, Public & Healthcare, Financial Services. He graduated from Mount Allison University in Canada with a Bachelor of Commerce, Accounting.

Mr Nazerollnizam does not have any family relationship with any other Directors and/or major shareholders of the Company. Neither has he been convicted of any offences in the last five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all five (5) Board Meetings held in the financial year ended 30 June 2025.

# PROFILE OF KEY SENIOR MANAGEMENT

**Mr Tan Chee Ping,**
***54, Male, Singapore,***
***Group Chief Financial Officer***

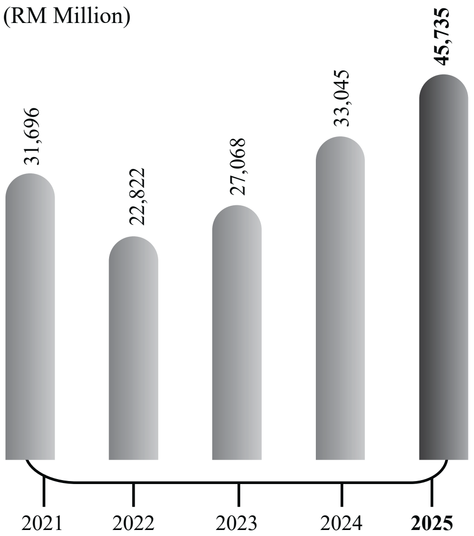
**Mr Tan Chee Ping** was appointed as Chief Financial Officer of the Group on 1 August 2006. Mr Tan holds a Bachelor of Degree from the Nanyang Technological University and is currently a Chartered Accountant member with Institute of Singapore Chartered Accountant. He has more than 20 years of working experience in corporate finance and financial accounting. He has also demonstrated his ability to streamline business operations that drive growth and increase efficiency. His current responsibilities as the Group Chief Financial Officer of the Nova MSC Berhad include strategic planning, implementation, managing and running of all the finance activities of a company, including business planning, budgeting, forecasting, risk and governance. He is also a Director of Dex-lab Pte Ltd, a subsidiary of Nova MSC Berhad, which focuses on the development of robotics technology to boost efficiency and conveniences for business and consumers.

Mr Tan does not have any family relationship with any other Directors and/or major shareholders of the Company. Neither has he been convicted of any offences in the last five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

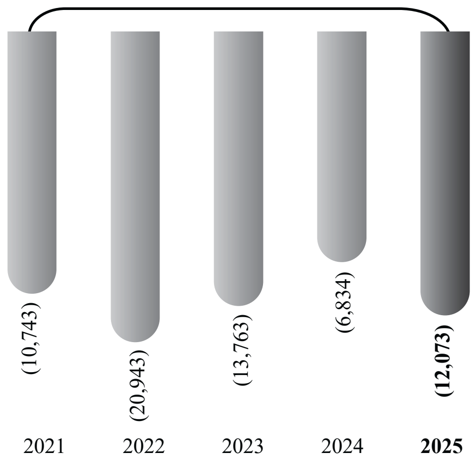
# FINANCIAL HIGHLIGHTS

| Financial Year Ended | 31 Mar 2021 | 31 Mar 2022 | 31 Mar 2023 | 31 Mar 2024 | 30 Jun 2025 |
|---|---|---|---|---|---|
| Revenue | 31,696 | 22,822 | 27,068 | 33,045 | 45,735 |
| Profit/(Loss) for the year | (10,743) | (20,943) | (13,763) | (6,834) | (12,073) |
| Net Profit/(Loss) attributable to shareholders | (9,769) | (20,217) | (12,286) | (6,298) | (9,870) |
| Basic Earnings per share (Sen) | -1.01 | -1.75 | -1.04 | -0.53 | -0.64 |
| | | | | | |
| Total equity attributable to owners | 67,650 | 49,163 | 37,784 | 31,313 | 51,730 |
| Total assets | 86,035 | 72,369 | 64,082 | 58,149 | 70,381 |
| Total liabilities | 18,781 | 24,333 | 26,293 | 27,377 | 21,325 |
| Total borrowing | 7,082 | 7,139 | 7,629 | 8,070 | 6,726 |
| Cash and equivalent | 20,096 | 14,069 | 6,697 | 4,365 | 23,418 |

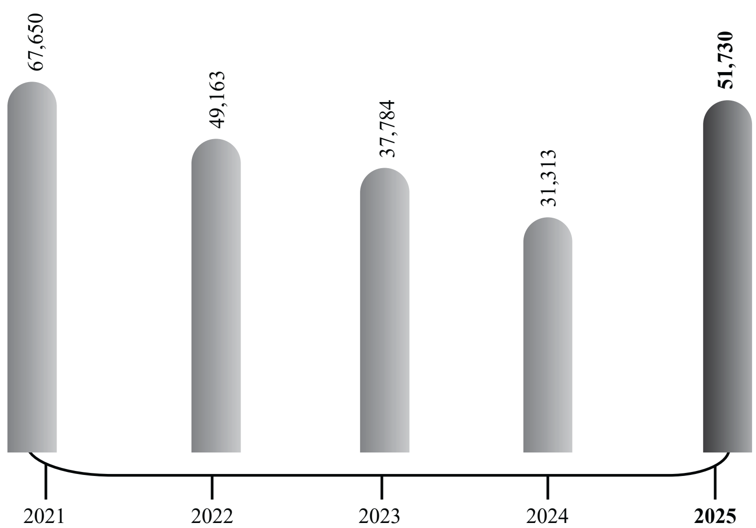
**REVENUE**
(RM Million)




**PROFIT/(LOSS) FOR THE YEAR**
(RM Million)




**TOTAL EQUITY ATTRIBUTABLE TO OWNERS**
(RM Million)



# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

Nova MSC Berhad ("Nova MSC") is a leading provider of industry-focused application software and digital solutions that empower organizations across key sectors such as government, eldercare and healthcare.

Through a combination of deep technical expertise, domain experience, and a strong commitment to innovation, Nova MSC delivers ready-to-deploy, mission-critical applications designed to enhance efficiency, transparency, and service quality for our clients.

Over the years, Nova MSC has built a solid reputation as a trusted digital transformation partner, underpinned by a proven ability to deliver large-scale and complex projects that meet the highest standards of performance and reliability. Our continued investment in research and development and close collaboration with clients enable us to create tailored, future-ready solutions that address evolving operational and regulatory challenges.

The Group's presence spans Malaysia, Singapore, Indonesia, the Maldives and Brunei giving us extensive exposure to diverse markets and operational environments. This regional experience strengthens our capability to anticipate client needs and drive innovation across sectors and geographies.

### Our Core Solutions and Platforms

| Software | Description |
|---|---|
| Pavo | A collaborative framework that facilitates the online submission, tracking, and approval of application documents among government agencies, improving transparency and inter-agency coordination. |
| Fornax | An advanced electronic plan-checking and approval management system that automates the validation of building plans against codes, regulations, and planning guidelines—enhancing productivity and compliance in local authorities. |
| Vesalius | A comprehensive, web-based hospital information system supporting administrative and clinical functions such as physician and nursing care, disease management, scheduling, patient registration, and billing. |
| Avicenna | A fully integrated, cloud-based platform designed for clinics and specialist outpatient centres. It streamlines both administrative and clinical workflows, offering superior usability and scalability for healthcare professionals. |
| EyScan | A cloud-based platform that powers intelligent deep learning system, such as SELENA+, that performs automated retinal image analysis to detect diabetic retinopathy and related systemic complications. |
| Dexie/Daisy Humanoid | The first-of-its-kind multi-competent social robot for dementia care, designed to support social interaction and cognitive engagement for individuals, including those with dementia in eldercare environments. |

Complementary Services

To enhance the value of our software offerings, Nova MSC provides a comprehensive suite of professional and support services, including:

- Consultancy and system integration to tailor solutions to specific client requirements;
- Training and knowledge transfer to ensure smooth adoption and optimal use of our systems; and
- Maintenance and ongoing customization to ensure solutions evolve with our clients' needs.

With an unwavering commitment to innovation, reliability, and customer success, Nova MSC continues to play an instrumental role in enabling digital transformation across industries. Our focus remains on delivering technology solutions that not only meet today's operational demands but also prepare our clients for the opportunities and challenges of tomorrow.

# Management Discussion and Analysis
(Continued)

## THE FINANCIAL YEAR UNDER REVIEW

For the financial period ended 30 June 2025, the Group recorded revenue of RM45.7 million, representing a 38.4% increase compared to RM33.0 million for the financial year ended 31 March 2024. The improvement was mainly driven by the progressive completion of ongoing projects and additional billings recognised from new customer implementations during the period.

Despite revenue growth, the Group's net loss widened to RM9.0 million from RM6.3 million, primarily due to project cost overruns and one-off impairment charges. However, a comprehensive operational review yielded significant cost savings through streamlining, redundancy elimination, and technology leverage, partially offsetting the losses.

The Group's total assets increased to RM71.3 million as at 30 June 2025, from RM58.1 million previously, driven by the conversion of irredeemable convertible preference shares ("ICPS") to ordinary shares, which boosted cash and cash equivalents to RM23.4 million.

## FINANCIAL POSITION

| | 31 March 2024 (RM'000) | 30 June 2025 (RM'000) |
|---|---:|---:|
| Total equity attributable to shareholders | 31,313 | 51,730 |
| Total assets | 58,149 | 70,381 |
| Intangible assets | 35,898 | 29,060 |
| Trade and other receivables | 9,807 | 7,726 |
| Trade and other payables | 11,074 | 7,821 |

### Total equity attributable to shareholders

Total equity attributable to shareholders rose significantly to RM51.7 million as at 30 June 2025, from RM31.3 million at the previous year-end. The improvement was largely the result of the injection of new capital from the conversion of ICPS into ordinary shares, which strengthened the Group's capital base and liquidity position.

### Total assets

The Group's total assets rose to RM70.4 million as at 30 June 2025, from RM58.1 million previously, due to a significant increase in cash and cash equivalents to RM23.4 million following the conversion of ICPS to ordinary shares, which injected new capital.

### Intangible assets

Intangible assets, which comprised mainly of development expenditure incurred for our in-house application software, amounted to RM29.1 million, representing an decrease of 19% from the RM35.9 million recorded in last financial year due to the an one-off impairment charges and amortisation, though offset by additional software development work for our in-house application solution.

### Trade and other receivables / Total and other payables

Trade and other receivables fell slightly to RM7.7 million, consistent with tighter working capital management, while trade and other payables declined to RM7.8 million following the settlement of accrued costs from earlier projects.

### Liquidity, Financial Resources and Capital Expenditure

As at 30 June 2025, the Group recorded net current assets of RM21.4 million, a significant improvement from a net current liability position of RM7.4 million as at 31 March 2024. Correspondingly, the current ratio strengthened to 2.5 times compared to 0.73 times in the previous financial year. Cash and cash equivalents increased to RM23.4 million, up from RM4.4 million as at 31 March 2024, mainly due to the new capital raised from the conversion of ICPS, supplemented by improved working capital management.

# Management Discussion and Analysis
(Continued)

The Group did not declare any dividend during the financial year and currently does not have a formal dividend policy.

For the financial year ended 30 June 2025, the Group invested RM8.1 million in research and development, compared to RM7.3 million in the preceding year. These expenditures were primarily directed towards the enhancement of existing product modules and the development of the operating system for the Group's humanoid robot platform.

Management remains vigilant of financial risks inherent to the Group's operations. Its focus is to preserve financial resilience, ensure business continuity as a going concern, and maintain an optimal capital structure to support long-term growth.

Overall, the financial year marked a period of transition and consolidation for the Group. Management focused on completing the restructuring exercise, addressing cost-overrun projects, and strengthening the balance sheet through improved cashflow and capital management. These measures have stabilised the Group's operations and positioned it for a return to growth.

## PLAN AHEAD

The financial period under review marked an important transition for the Group as it embarks on a new transformation phase focused on strengthening foundations, enhancing operational execution, and driving sustainable long-term growth.

As part of this transformation, the Group implemented a strategic change in its leadership structure to sharpen business focus and accelerate decision-making. Group CEO, Mr. Lai Teik Kin, has relinquished his group-wide role to focus fully on driving the growth and profitability of the Group's two key business segments — the Healthcare Business Unit and the Eyris Business Unit. He continues to serve as an Executive Director of the Company, where his strong track record and deep domain expertise will ensure continued innovation and disciplined execution within these high-potential verticals.

To ensure leadership continuity and maintain strategic alignment during this pivotal period, Executive Chairman, Mr. Sunny Loh, has assumed the responsibilities of Interim Group CEO. In this role, he provides overall strategic leadership, ensures timely decision-making, and oversees the effective implementation of the Group's ongoing turnaround initiatives.

In line with its transformation roadmap, the Group also announced a change in its financial year-end from 31 March 2025 to 30 June 2025, aligning its reporting cycle with long-term business planning and restructuring milestones. This adjustment enhances management visibility and ensures a closer integration between operational performance and financial reporting.

Looking ahead, the Group's strategic direction remains anchored in four high-growth sectors — healthcare, e-government, artificial intelligence (AI), and robotics — which together form the core pillars of its technology and innovation strategy. The Group's flagship solutions, including the SELENA+ Diagnostic System, and its emerging robotics and humanoid initiatives, continue to gain traction in both domestic and international markets. These offerings are expected to contribute stable recurring income streams and provide resilience against broader economic headwinds.

The Group's ongoing transformation is guided by three strategic priorities:

- Operational optimisation – to enhance efficiency, strengthen execution, and ensure cost discipline;
- Disciplined cashflow management – to maintain financial strength, preserve liquidity, and support sustainable investment; and
- Accelerated sales and market expansion – focusing on domestic growth and regional opportunities in Australia, Hong Kong, and Singapore.

With the completion of the restructuring exercise and the resolution of cost-overrun projects, the Group now operates with a leaner, more agile structure and a clear execution framework. These foundations, coupled with renewed commercial momentum, improved cash position, and strong leadership alignment, provide the basis for sustainable recovery and long-term shareholder value creation.

Management remains confident that, by leveraging the Group's technological strengths, prudent financial management, and strategic positioning within essential growth sectors, the Group will continue to strengthen its market presence and deliver on its transformation goals in the years ahead.

# SUSTAINABILITY STATEMENT

**Introduction**

The Group recognizes that sustainability is fundamental to its financial performance. Consequently, we have embedded sustainability into our strategic decision-making and operations. This commitment is structured around three core pillars—Economic, Environmental, and Social—and our related strategies and initiatives are aligned with the UN Sustainable Development Goals (UNSDGs).

**Sustainability Governance Structure**

The Board of Directors ("Board") of Nova MSC Berhad ("Company") recognises the importance of good corporate governance and is committed to the establishment and implementation of a proper framework and controls that are in line with the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2021 ("the Code"), where applicable.

- **Board of Directors**

  The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company while providing effective oversight of Group's performance, risk assessment and controls over business operations. In discharging its roles and responsibilities, the Board is guided by its Board Charter which outlines the duties of and responsibilities of the Board.

  The Chairman leads the Board and ensures the effective functioning of the Board to act in the best interests of the Company and its shareholders. The Chairman facilitates the relationship between the Board, Executive Directors and Management, by engaging them in constructive discussions over various matters, including strategic issues and business planning process. He ensures that discussion at the Board level are conducted objectively and professionally where all views are heard and key issues are debated in a fair and open manner.

  The Non-Executive Directors contribute their expertise and experience to give independent judgment to the Board on issues of strategy, performance and resources, including major policies, key directions and standards of conduct. The roles of the Independent Non-Executive Directors are to ensure that the strategies proposed by the executive management are fully reviewed and examined. They also undertake the responsibility of protecting and securing the varied long-term interests of the shareholders, employees, customers, and the communities in which the Group conducts its business.

Save for the significant matters reserved for the Board's approval, such as financial results, annual budget and business plan, issuance of new shares, expenditure above a certain limit, disposals or acquisition of significant assets and others, the Board delegates the day-to day operations of the business and implementation of Board's policies and plans to the Executive Directors. The Executive Directors are also accountable to the Board for the conduct and performance of the Group.

**Governance Policies**

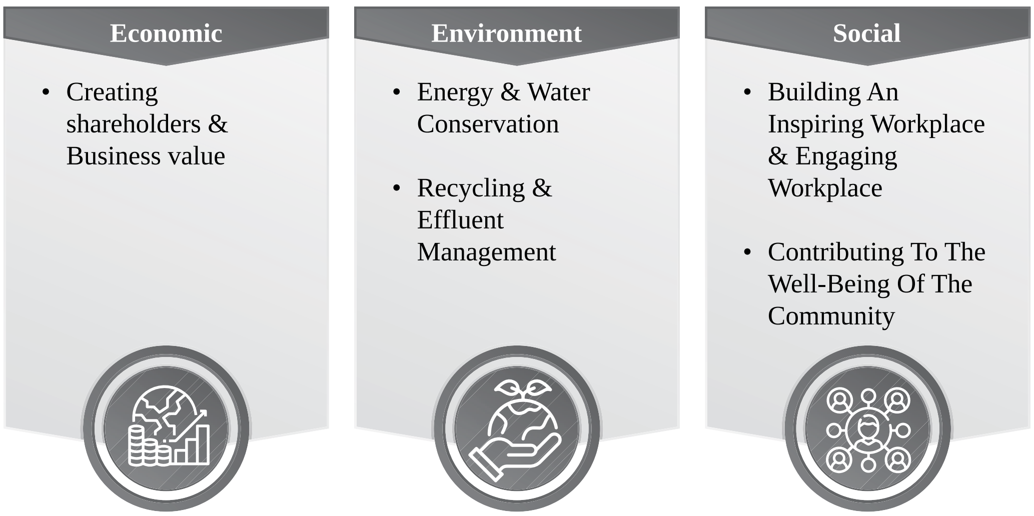
The Company has adopted a Board Charter and this is made available on the corporate website. The document aims to govern how the Board conduct its affairs, including the roles and responsibilities of the Board and Board Committees and their processes and procedures for convening their meetings. The Board will review its charter regularly to ensure its effectiveness and relevance to the Board's objectives. The Board has adopted a Code of Conduct and Ethics policy which set out the standards of conduct expected from Directors, to engender good corporate behaviour. The Board intends to review the Code of Conduct and Ethics policy as and when it is required to ensure the information remains relevant and appropriate. A summary of this is available on the corporate website. There is also a whistle blowing policy in place to provide all Directors and employees of the Group a platform to raise concerns or disclose any wrongdoing that may adversely impact the Company without fear of suffering retribution and to provide a transparent and confidential process for dealing with concerns.

**Scope Of Sustainability**

The scope of this Statement covers the Nova MSC Berhad ("Nova MSC") and its subsidiaries for the period from 1 April 2024 to 30 June 2025. It describes the Group's core activities and our commitment toward improving our sustainability practices.

**Our Approach**

We recognise the importance of sustainability on the Group's profitability. With respect to this, the Group's approach to sustainability is to embrace and embed sustainability consideration into our decision making and business practices. We have developed our Sustainability Strategies relevant to our business operations and our sustainability agenda comprises three sustainability pillars, namely Economic, Environment and Social. We strive to ensure our sustainability commitments, strategies and initiatives align with the United Nations Sustainable Development Goals (UNSDG).



# Sustainability Statement
(Continued)

### Embracing Sustainability

**UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDG)**
Nova MSC has implemented initiatives in its commitment to support the following UNSDG

| | | | |
|---|---|---|---|
| Our policies and practices promote economic growth and decent work for all | 8 DECENT WORK AND ECONOMIC GROWTH | By working closely with our stakeholders, we create partnerships in ensuring that our business remains sustainable | 17 PARTNERSHIPS FOR THE GOALS |
| We develop softwares for efficient energy management for our Group and clients | 11 SUSTAINABLE CITIES AND COMMUNITIES | As a responsible business entity, we have in place programmes to promote responsible use of water to maintain sustainable water resource | 6 CLEAN WATER AND SANITATION |
| Our talent development agenda nurtures our employees to achieve their full potential and capabilities | 16 PEACE AND JUSTICE STRONG INSTITUTIONS | Our talent development agenda nurtures our employees to achieve their full potential and capabilities | 4 QUALITY EDUCATION |

### Stakeholders Engagement Framework

Our stakeholder's engagement framework was designed beyond simply "informing" people to build genuine, productive relationships. This framework is an interconnected system where Transparency is the foundation that enables honest Communication. This open communication allows for genuine Feedback, which, when acted upon, builds the trust necessary for true Collaboration. Based on a strong collaboration with our stakeholders, we can effectively Promote our successes and advocate for our cause.

| Engagement Method | What It Is | Why Is It Important |
|---|---|---|
| **Collaborate** | Working with stakeholders as partners to achieve a common goal. It's about sharing power, decision-making, and responsibility. | Nova MSC's QA Team expanded our Application Development Methodology (AMD) that serves as a guide to our Project Managers in work aspects such as standard procedures and documentation. |
| **Promote** | A proactive effort to share information about our projects and initiatives, encourage positive support from stakeholders, and build enthusiasm and buy-in. | Design and Development, Production, Installation, Service and Distribution of Image Analysis Software for Detection of Medical Diseases |
| **Communicate** | Continuous and clear exchange of information between the organization and its stakeholders, covering goals, progress, challenges, and changes. | Ensures all stakeholders are aligned on objectives, helps manage expectations, and reduces misunderstandings that can lead to delays or mistakes. |
| **Feedback** | The process of actively soliciting and receiving input from stakeholders, and then using that input to improve decisions and processes. | Helps identify potential risks and challenges, allows for better-informed decisions, and makes stakeholders feel valued and heard |
| **Transparent** | Working with stakeholders as partners to achieve a common goal. It's about sharing power, decision-making, and responsibility. | Leverages diverse expertise for better solutions, strengthens commitment to project goals, and ensures a broader range of perspectives is considered in decision-making |

# Sustainability Statement
(Continued)

The table below summarises our key stakeholders, the communication channels employed for engagement, the areas of sustainability interest or concerns raised by each group, and the frequency of these interactions:

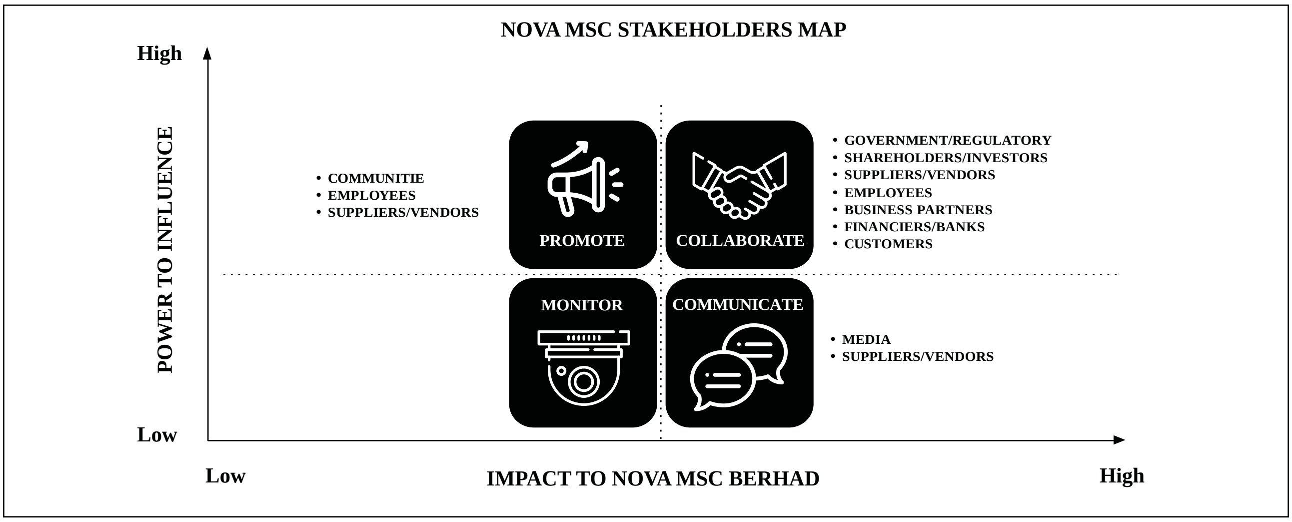
| Stakeholder Group | Engagement Platform | Areas of Interest or Concern | Engagement Frequency | Our Response | How We Engage: Collaborate | Promote | Communicate | Feedback | Transparency |
|---|---|---|---|---|---|---|---|---|---|
| **Shareholders & Investors** | • Company's website and announcement at bursa Malaysia website<br>• Annual / Extraordinary general meetings<br>• Press Release<br>• Quarterly & Annual report | • Financial and operational performance<br>• Shareholder value and returns<br>• Corporate governance and risk management<br>• Sustainability performance<br>• Business outlook | • Ongoing<br>• Quarter<br>• Annual | • Ensure strong governance in project and financial management | X | | X | X | X |
| | | | | • Establish strong governance policies and procedures | X | X | X | X | X |
| | | | | • Enhance business ethics awareness and leadership processes | X | | X | | X |
| | | | | • Incorporate ESG risks and opportunities into business decisions | | X | X | | X |
| | | | | • Develop and implement diversity and inclusion practices | | X | X | | X |
| | | | | • Establish strong sustainability practices | X | X | X | | X |
| | | | | • Implement upskilling and reskilling initiatives for employees to provide niche expertise for FinTech services | | X | | | X |
| **Customers** | • Regular communications and meeting<br>• Customer satisfaction survey / feedback | • Product quality and safety<br>• Competitive pricing<br>• Protection of confidential information<br>• Innovation and development<br>• Fair and transparent business conduct | • Ongoing | • Drive close engagement with customers to ensure minimal interruption to customer operations Data Privacy and Security<br>• Maintain excellent services and product quality | X | | X | X | |
| **Vendors & Suppliers** | • Regular communications and meetings<br>• Supplier evaluation and registration<br>• Supplier audit and evaluation | • Vendor selection<br>• Payment schedule and credit terms<br>• Sustainability supply chain<br>• Product and services quality | • Ongoing<br>• Annually | • Recognise suppliers/vendors with good practices<br>• Enhance the Know Your Counterparty (KYC) requirements for all business dealings<br>• Engage closely with business partners/ suppliers and vendors to ensure minimal business interruption | X | X | | X | |

# Sustainability Statement
(Continued)

## Defining Our Stakeholders

To effectively address our stakeholders' needs and allocate resources optimally, we first identify and prioritize them based on their level of influence and involvement. We define Nova MSC stakeholders as follows:

- All parties that exercise or could exercise influence over our business operations
- All parties who are or could be influenced by our business operations




## Stakeholder Prioritisation

The Stakeholder Map shows the influence and dependence of each stakeholder group on Nova MSC. The prioritisation of our key stakeholders are as follows:

- Those who are the most likely to impact the Company’s achievement of its strategic objectives
- Those who can be positively or negatively impacted by our operations and activities

## Materiality Assessment

Nova MSC identifies and prioritizes key sustainability issues based on their relevance to stakeholders and significance to our operations. Guided by the UNSDG’s 2030 Global Goals and our core values, we use stakeholder input and risk assessments to focus our efforts. We then conduct continuous reviews to ensure our action plans effectively address these priorities.

Through stakeholder engagement and a materiality assessment in 2025, we determined the most critical sustainability matters for Nova MSC to focus on.

# Sustainability Statement
(Continued)

**Methodology**

The selection of Material Topics for our Materiality Assessment involves three key processes: benchmarking, stakeholder engagement, and the development of a Materiality Matrix. Nova MSC's approach to each is described below.

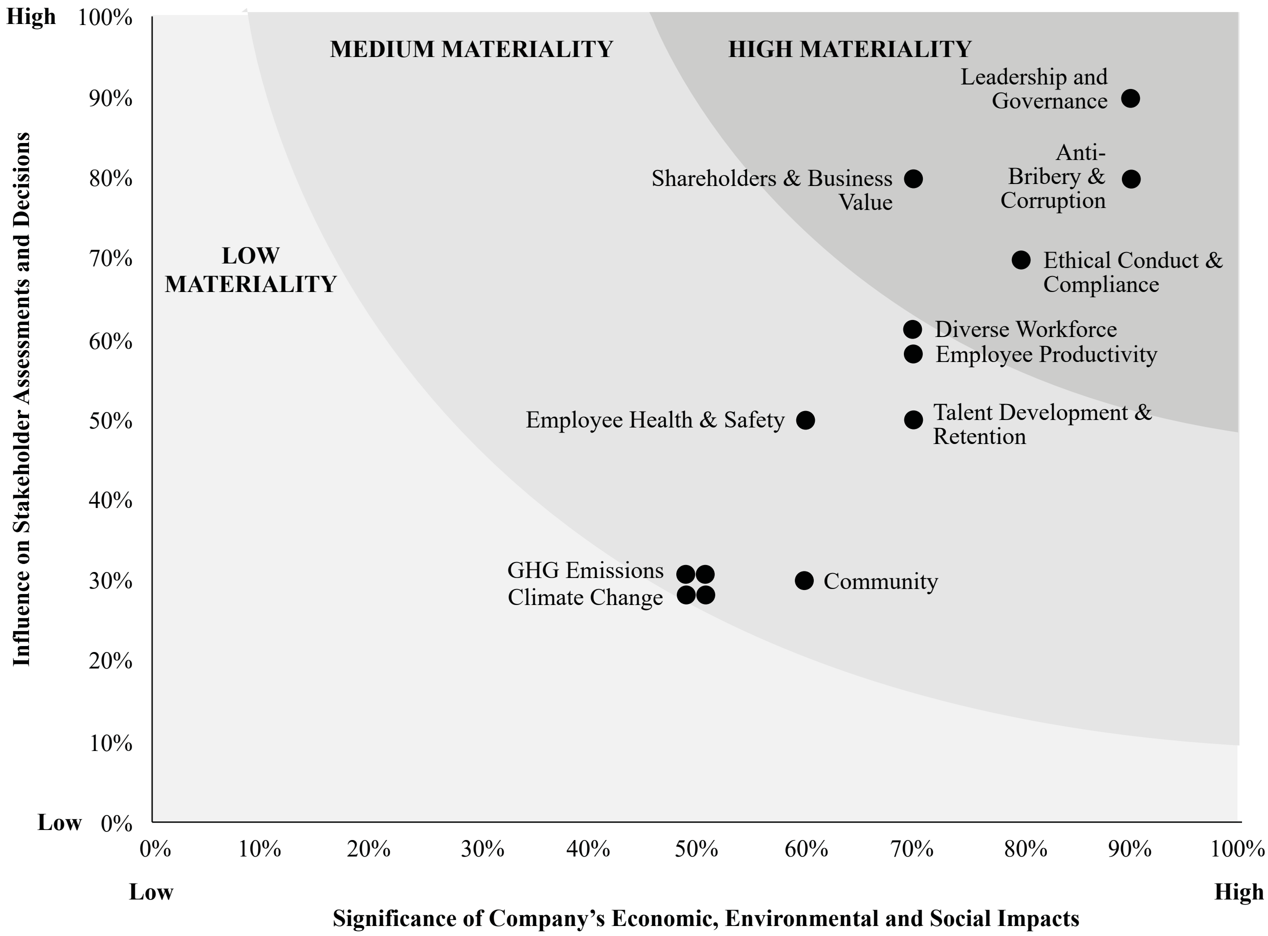
**PROCESS IN SELECTING MATERIAL TOPICS**

| Benchmarking | Stakeholder Engagement | Material Matrix |
|---|---|---|
| We conducted desktop research on current and emerging sustainability trends as well as industry and peer benchmarking and identified a list of sustainability matters relevant to MISC's business. | We conducted a survey on the prioritization of our material matters with the following stakeholders:<br><br>1. Board of Directors<br>2. Senior Management<br>3. Financiers/Banks<br>4. Suppliers<br>5. Customers | Using the feedback from our survey, we mapped Nova MSC's Material Matrix from both internal and external stakeholders. |

The development of our Materiality Matrix follows a rigorous four-stage methodology, where each stage is essential to capturing the company's insights on material issues.

| Step 1 | Step 2 | Step 3 | Step 4 |
|---|---|---|---|
| **Identification** | **Prioritisation** | **Review & Validation** | **Process Review** |
| • Recognise primary stakeholders and grasp their expectations and concerns regarding sustainability.<br>• Assess their influence towards the Company | • Apply materiality concept prioritise material sustainability matterns<br>• Report on prioritised material sustainability matters relative to their importance | • Complete the identification of the content for the report.<br>• Review and validate the material sustainability matters identified, | • Assess the materiality assessment process in relation to the intended outcomes.<br>• Re-assess the process annually to ensure the attainment of desired outcomes. |

# Sustainability Statement
(Continued)




The results of our materiality assessment will be integrated into our core business practices to achieve the following objectives:

- Aligning strategic priorities with key material matters and UNSDGs.
- Guiding the selection of annual reporting topics.
- Strengthening the ties between ESG opportunities and our corporate purpose.
- Setting data-driven sustainability targets and commitments.

We have mapped our contributions to the UNSDGs directly to our key sustainability material topics.

# Sustainability Statement
(Continued)

| Material Matter | Why is this material? | Sustainability Strategic Priorities | Related UNSDG |
|---|---|---|---|
| Leadership & Governance | Upholding the highest standards of integrity, governance, and ethics is fundamental to our long-term financial performance | • Governance Pillar<br>• Financial Pillar | 16 PEACE AND JUSTICE STRONG INSTITUTIONS; 8 DECENT WORK AND ECONOMIC GROWTH |
| Anti-Bribery & Corruption | These measures are critically important for Nova MSC Berhad, as they are fundamental to legal compliance, risk management, and building a sustainable, trustworthy enterprise. They protect the company from severe penalties and reputational harm while fostering a culture of integrity. | • Governance Pillar | 16 PEACE AND JUSTICE STRONG INSTITUTIONS |
| Ethical Conduct & Compliance | Ethical Conduct & Compliance is the bedrock of Nova MSC Berhad's long-term success. It safeguards the company from harm, builds vital stakeholder trust, strengthens internal culture, and enables sustainable growth by aligning with global ESG standards. | • Governance Pillar | 16 PEACE AND JUSTICE STRONG INSTITUTIONS; 8 DECENT WORK AND ECONOMIC GROWTH |
| Shareholder's Business & Value | "Shareholder Value & Business Performance" is materially important to Nova MSC Berhad as it serves as the fundamental indicator of the company's commercial health and long-term stability. It directly secures investor confidence, enables strategic flexibility, enhances market credibility, and creates a cycle of reinvestment and growth. Ultimately, it is both a result of sound management and an essential foundation for achieving the company's broader strategic and sustainability objectives. | • Financial Pillar | 17 PARTNERSHIPS FOR THE GOALS; 8 DECENT WORK AND ECONOMIC GROWTH |
| Diverse Workforce | We believe a diverse workforce is fundamental to driving innovation and fostering an open-minded culture. We uphold this commitment through equitable hiring and promotion policies, dedicated to providing competitive opportunities for all. | • Social Pillar | 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH |
| Employee Productivity | Serves as a fundamental driver of profitability, operational excellence, and competitive advantage. It directly enhances financial performance, ensures service quality and innovation, strengthens market position, and supports sustainable growth. Ultimately, it is a core indicator of organizational health and a essential prerequisite for achieving the company's strategic objectives. | • Social Pillar<br>• Financial Pillar | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 8 DECENT WORK AND ECONOMIC GROWTH |
| Employee Health & Safety | A strategic imperative serving as both an ethical obligation and a cornerstone of operational resilience. It directly protects human capital, ensures business continuity, mitigates financial and reputational risks, and strengthens compliance and corporate culture. Ultimately, it is fundamental to sustaining workforce stability and driving long-term business success. | • Social Pillar | 3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH |

# Sustainability Statement
(Continued)

| Material Matter | Why is this material? | Sustainability Strategic Priorities | Related UNSDG |
|---|---|---|---|
| Energy & Water Management | Nova MSC Berhad is strategically committed to environmental sustainability through two key initiatives: implementing sustainable water management to consistently reduce consumption, and transitioning from fossil-based energy to renewable sources for its operations. These actions are essential for mitigating the company's environmental impact and addressing climate change. | • Environment Pillar | 13 CLIMATE ACTION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| Waste Management | For Nova MSC Berhad, waste management is a critical strategic concern that directly impacts operational, financial, and reputational standing. It is essential for maintaining regulatory compliance, achieving cost efficiencies, mitigating risks, and advancing corporate sustainability objectives. As such, it is fundamental to the company's long-term viability and competitive positioning. | • Environment Pillar | 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| Climate Change | Addressing climate change is crucial for Nova MSC Berhad's future resilience and competitiveness. By directly confronting regulatory, physical, and market risks, we not only protect our financial performance and reputation but also secure our long-term viability in a low-carbon economy. | • Environment Pillar | 13 CLIMATE ACTION |
| Talent Development & Retention | Talent management serves as a strategic foundation, securing the essential skills, leadership, and innovation for long-term success. It is critical because it directly drives business performance, builds operational resilience, fosters innovation, and protects reputational capital. Ultimately, it is a core business strategy that fuels growth, ensures stability, and future-proofs the organization. | • Social Pillar | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 8 DECENT WORK AND ECONOMIC GROWTH |
| GHG Emission | GHG emissions are materially important to Nova MSC Berhad as they directly reflect the company's environmental impact and operational efficiency. Managing emissions is crucial for regulatory compliance, risk reduction, and cost control, while also enhancing market reputation and meeting stakeholder expectations. This proactive approach ensures competitiveness in a low-carbon economy and secures long-term business resilience. | • Environment Pillar | 13 CLIMATE ACTION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| Community | Sustains the company's social license to operate and builds resilient local relationships. It directly strengthens community ties, enhances brand reputation, mitigates social risks, and aligns with strategic ESG and SDG goals. Ultimately, it serves as a strategic investment that ensures operational stability and supports long-term business success. | • Social Pillar | 10 REDUCED INEQUALITIES; 5 GENDER EQUALITY |

# Sustainability Statement
(Continued)

**Management of Material Sustainability Matters**

Our KPIs provide guidance and motivation for achieving sustainable goals. We are taking a more intentional approach to data gathering and benchmarking. Assessing our performance against established targets enables us to monitor progress, take corrective action, and proactively manage risks to ensure the business's long-term sustainability.

| Material Topics | FY2025 Performance |
|---|---|
| Leadership and Governance | Implement a group-wide ethics and compliance culture to safeguard long-term shareholder value and financial performance. |
| Ethical Conduct & Compliance | Reinforce Ethical Conduct & Compliance awareness through completion of ethics training |
| Anti-Bribery and Anti-Corruption | Enforce a strict zero tolerance practice on corruption to achieve the highest compliance standards |
| Employee Health and Safety | Introduce group-wide Workforce Safety awareness to minimise financial risk. |
| Shareholders and Business Value | Increase Shareholder Value & Business Performance to sustain investor confidence |
| Waste Management | Incorporate strategic waste management strategies to reduce disposal costs |
| Energy and water conservation | Reduced water consumption and carbon emissions through targeted conservation measures |
| Employee Productivity | Align core operational KPIs with strategic profitability goals to maximize financial outcomes |
| Diverse workforce and equal opportunity | Fostered a culture of innovation and open-mindedness to attract and retain top-tier talent |
| Talent Development and Retention | Aligned talent management with productivity goals by leveraging advanced skillsets. |
| Community | Elevate community well-being through targeted, high-impact engagement programs |
| GHG Emissions | Minimise carbon footprint and reduce associated energy costs. |
| Climate Change | Reduce emissions to minimize climate risk impact and protect long-term operations |

- **Environment**

  Nova MSC is committed to environmental sustainability by minimizing the adverse impacts of its operations. We are also dedicated to raising awareness about environmental preservation to safeguard natural resources for future generations.

| Pillar | Agenda | Strategy | Initiatives | UNSDG |
|---|---|---|---|---|
| Environment | • Energy and water conservation | Reduce energy and water consumption | • A series of energy and water conservation measures were implemented, focusing on employee engagement. Key actions included the installation of reminder signage to power down unused equipment and the establishment of a protocol for reporting water leaks.<br>• Implement employee education programs, including campaigns and workshops, to promote energy and water conservation. |  |

# Sustainability Statement
(Continued)

| Pillar | Agenda | Strategy | Initiatives | UNSDG |
|---|---|---|---|---|
| | • Recycling and Effluent Management | Waste Management | • Cultivated a workplace culture centered on the 3Rs (Reduce, Reuse, Recycle), successfully transitioning from paper-based to digital document management. | 11 SUSTAINABLE CITIES AND COMMUNITIES<br>6 CLEAN WATER AND SANITATION |

- **Social**

Our commitment to social sustainability is demonstrated through a focus on the well-being of our stakeholders. We strive to be a responsible and caring organization by ensuring our activities have a positive impact on people.

| Pillar | Agenda | Strategy | Initiatives | UNSDG |
|---|---|---|---|---|
| Social | Employee Productivity | Build an inspiring and engaging workforce | • Conduct annual performance appraisals to evaluate employee contributions and identify development opportunities that align with company objectives. | 17 PARTNERSHIPS FOR THE GOALS |
| | Diverse workforce and equal opportunity | Embrace diversity and practice inclusive employment | • Maintain a work environment free from discrimination where all employees are provided with equal opportunities for growth and advancement.<br>• Ensure that all employment decisions, including those related to career development, are based exclusively on merit and performance, without regard to gender or ethnicity.<br>• Provide competitive and equitable remuneration packages, including comprehensive benefits such as life, travel, and hospitalization insurance. | 5 GENDER EQUALITY<br>3 GOOD HEALTH AND WELL-BEING<br>8 DECENT WORK AND ECONOMIC GROWTH |
| | Healthy and safe working environment | Promote a healthy and safe working environment | • Perform routine safety inspections to uphold high standards of workplace tidiness and order.<br>• Enhance emergency preparedness by conducting regular fire and safety drills. | 3 GOOD HEALTH AND WELL-BEING |
| | Talent Development and Retention | Regular training for employees' development | • Invest in employee development through regular training programs to continuously enhance their skills.<br>• Customize training programs to incorporate holistic development, including personal growth and character building. | 4 QUALITY EDUCATION<br>8 DECENT WORK AND ECONOMIC GROWTH |
| | Community | Positive contribution to society | • Organized social gatherings and annual reviews to strengthen community ties, foster harmony, and build lasting rapport.<br>• Expanded our Application Development Methodology (AMD) to provide Project Managers with a comprehensive guide for standard procedures and documentation. | 11 SUSTAINABLE CITIES AND COMMUNITIES |

## Sustainability Statement
(Continued)

### Scope of ISO Certification

| Certification | Entity | Scope |
|---|---|---|
| ISO 9001:2015<br>Quality Management | Nova MSC<br><br>Novacitynets Pte Ltd<br><br>Novahealth Pte Ltd | Nova MSC's QA Team expanded our Application Development Methodology (AMD) that serves as a guide to our Project Managers in work aspects such as standard procedures and documentation. |
| ISO13485:2016<br>Medical devices – Quality management systems – Requirements for regulatory purposes | EyRIS Pte Ltd | Design and Development, Production, Installation, Service and Distribution of Image Analysis Software for Detection of Medical Diseases |

### Employment Statistics

| EMPLOYEE BY COUNTRY | | | | | | | |
|---|---|---|---|---|---|---|---|
| Country | Unit | Male | | Female | | Total | |
| Malaysia | Number (%) | 7 | 6% | 12 | 11% | 19 | 17% |
| Singapore | Number (%) | 43 | 38% | 25 | 23% | 68 | 61% |
| Philippines | Number (%) | 18 | 16% | 7 | 6% | 25 | 22% |
| Total | Number (%) | 68 | 64% | 44 | 36% | 112 | 100% |

| NATIONALITY | | | | | | | |
|---|---|---|---|---|---|---|---|
| Country | Unit | Male | | Female | | Total | |
| Malaysian | Number (%) | 11 | 10% | 15 | 13% | 26 | 23% |
| Non-Malaysian | Number (%) | 57 | 51% | 29 | 26% | 86 | 77% |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Nova MSC Berhad ("Company") recognises the importance of good corporate governance and is committed to the establishment and implementation of a proper framework and controls that are in line with the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2021 ("the Code"), where applicable.

This overview statement is prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and is to be read in conjunction with the Corporate Governance Report 2025 of the Company which is available at www.nova-hub.com.

The following statements describe the corporate governance practices that were in place in the financial year ended 30 June 2025: -

## 1. BOARD

### 1.1 Duties and Responsibilities

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company while providing effective oversight of Group's performance, risk assessment and controls over business operations. In discharging its roles and responsibilities, the Board is guided by its Board Charter which outlines the duties of and responsibilities of the Board.

The Chairman leads the Board and ensures the effective functioning of the Board to act in the best interests of the Company and its shareholders. The Chairman facilitates the relationship between the Board, Executive Directors and Management, by engaging them in constructive discussions over various matters, including strategic issues and business planning process. He ensures that discussion at the Board level are conducted objectively and professionally where all views are heard and key issues are debated in a fair and open manner.

The Non-Executive Directors contribute their expertise and experience to give independent judgment to the Board on issues of strategy, performance and resources, including major policies, key directions and standards of conduct. The roles of the Independent Non-Executive Directors are to ensure that the strategies proposed by the executive management are fully reviewed and examined. They also undertake the responsibility of protecting and securing the varied long-term interests of the shareholders, employees, customers, and the communities in which the Group conducts its business.

Save for the significant matters reserved for the Board's approval, such as financial results, annual budget and business plan, issuance of new shares, expenditure above a certain limit, disposals or acquisition of significant assets and others, the Board delegates the day-to day operations of the business and implementation of Board's policies and plans to the Executive Directors. The Executive Directors are also accountable to the Board for the conduct and performance of the Group.

The role of the Management is to support the Executive Directors.

During the year, the Executive Directors and Management presented comprehensive summaries of the significant business activities and financial performance of the Group to the Board on a quarterly basis, whereby explanations on any material shortfalls and proposed corrective actions were provided. The Executive Directors and Management also presented to the Board proposed business strategies and plans for the Board's review. The Board deliberated on the business strategies and plans to ensure that they were in line with Group's visions and mission after taking into consideration the latest market conditions and internal capabilities.

The Company Secretary plays an advisory role to the Board and is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary also ensures that the deliberations at the Board meetings are well captured and documented.

The Board is also supported by three (3) Board committees to which it delegates specific areas of responsibilities for review and decision making. They are the Audit Committee, Nomination and Remuneration Committee ("NRC") and ESOS Committee.

No individual or group of individuals dominates the Board's decision-making. Together, the Directors possess the wide range of business, commercial and financial knowledge, expertise and skills essential in the management and direction of a corporation with regional presence.

# Corporate Governance Overview Statement
(Continued)

## 1. BOARD (Continued)

### 1.2 Board Charter and Code of Corporate Conduct

The Company has adopted a Board Charter and this is made available on the corporate website. The document aims to govern how the Board conduct its affairs, including the roles and responsibilities of the Board and Board Committees and their processes and procedures for convening their meetings. The Board will review its charter regularly to ensure its effectiveness and relevance to the Board's objectives.

The Board has adopted a Code of Conduct and Ethics policy which set out the standards of conduct expected from Directors, to engender good corporate behaviour. The Board intends to review the Code of Conduct and Ethics policy as and when it is required to ensure the information remains relevant and appropriate. A summary of this is available on the corporate website.

There is also a whistle blowing policy in place to provide all Directors and employees of the Group a platform to raise concerns or disclose any wrongdoing that may adversely impact the Company without fear of suffering retribution and to provide a transparent and confidential process for dealing with concerns.

### 1.3 Composition and Board Balance

#### 1.3.1 Composition

The Board currently has seven (7) members, comprising three (3) Executive Directors and four (4) Independent Non-Executive Directors as follows:-

| Name | Designation | Directorship |
|---|---|---|
| Loh Guan Huat Sunny | Chairman | Executive |
| Peter Wayne Thompson | Deputy Chairman | Independent Non-Executive |
| Lai Teik Kin | Member | Executive |
| Nazerollnizam Bin Kasim | Member | Executive |
| Lim Hak Min | Member | Independent Non-Executive |
| David Choo Boon Leong | Member | Independent Non-Executive |
| Dato' Law Song Ting | Member | Independent Non-Executive |

The Board is of the opinion that the interests of the shareholders of the Company are fairly represented in the current composition and its size constitutes an effective Board of the Company. The wide spectrum of knowledge, skills and experience of the Board gives added strength to the leadership which is necessary for the effective stewardship of the Group.

#### 1.3.2 Board Balance

The four Non-Executive Directors of the Company, which form majority of the Board, provide the Board with a good mix of industry-specific knowledge plus broad business and commercial experience.

They provide guidance, unbiased, fully balanced and independent views, advice and judgment to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that higher standards of conduct and integrity are maintained by the Group.

The Board recognises the importance of effective executive leadership to Nova's success and the NRC is tasked to discuss executive succession planning at least annually.

The profiles of the Directors are provided in pages 4 and 7 of the Annual Report.

# Corporate Governance Overview Statement
(Continued)

## 1. BOARD (Continued)

### 1.4 Access to Information and Advice

Before each Board meeting, the Directors are provided with the agenda and full set of Board papers containing relevant information relating to the business of the meeting. Where necessary, additional information is provided during the Board meeting on significant issues that arise or when specifically requested by a Director.

The directors also have access to the services of the Company Secretary and senior management staff whether as a full board or in their individual capacity. In certain instances, as deemed appropriate, the Board may also engage the services of professionals at the expense of the Group on specialised issues.

### 1.5 Appointment Process

The Board has set up a Nominating Committee on 28 August 2007 which was replaced with the NRC on 28 June 2021. The Board appoints its members through a formal and transparent selection process. Appointments are made upon the recommendation of the NRC. This process has been reviewed, approved and adopted by the Board. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met.

### 1.6 Re-election of Directors

Directors appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments and thereafter shall retire at least once every 3 years and retiring directors shall be eligible for re-election.

The Company does not have term limits for both Executive Directors and Independent Non-Executive Directors as the Board believes that continued contribution by Directors provide benefits to the Board and the Group as a whole. The integrity of Independent Directors is not compromised by the long period of serving. The Board recognises the importance of establishing criteria on independence to be used in the annual assessment of its Independent Non-Executive Directors. In accordance with Practice 5.3 of the Code, the Board must justify and seek shareholders' approval through a two-tier voting process in the event it retains an independent director, a person who has served in that capacity for more than nine years.

The Board has conducted an assessment on independence of directors in the period under review. The performance evaluation of the independent directors is conducted by way of self-assessment checklist. The independence evaluation is based on the criteria laid down in the Listing Requirements. It was noted by the Board that the independent directors complied with the definition of independent director as set out in Chapter 1 of ACE Market Listing Requirements of Bursa Securities.

### 1.7 Meetings

During the financial year under review, five (5) Board Meetings have been held. The attendance record of each Director since the last financial year or the date of appointment is as follows:

| | Number of Meetings Attended |
|---|---|
| ***Executive Directors*** | |
| Loh Guan Huat Sunny | 5/5 |
| Lai Teik Kin | 5/5 |
| Nazerollnizam Bin Kasim | 5/5 |
| ***Non-Executive Directors*** | |
| Peter Wayne Thompson | 5/5 |
| Lim Hak Min | 5/5 |
| David Choo Boon Leong | 5/5 |
| Dato' Law Song Ting | 5/5 |

During the financial year, the Board also resolved and approved the Company's matters through circular resolutions. Board members are provided sufficient detailed information for approvals via circular resolutions and are given full access to senior management to clarify any matters arising.

# Corporate Governance Overview Statement
(Continued)

## 1. BOARD (Continued)

### 1.7 Meetings (Continued)

The Board also observe the recommendation of the Code that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment. To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, they must no hold directorships at more than five public listed companies and must be able to commit sufficient time to the Company.

The Board is satisfied that the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company as evidenced by the attendance record of the Directors at Board meetings.

### 1.8 Directors' Training

At every Board Meeting, all Directors were briefed on the latest developments of the Group's business and operations to enhance and ensure that they have a comprehensive understanding on the Group's operations to enable them to discharge their responsibilities effectively and to keep abreast with developments in the market place. The Directors are also encouraged to evaluate their own training needs on a continuous basis. In financial year under review, the following Directors have attended development and training programmes, seminars and courses, the details of which are as follows:

| Name of Director | Trainings/Seminars/Trade Fairs |
|---|---|
| Loh Guan Huat Sunny | i) Mandatory Accreditation Programme Part II: Leading for Impact |
| Peter Wayne Thompson | i) Accounting Implications of US Tariffs |
| Lai Teik Kin | i) EyRIS Sales Procedure Training SOP-004 Sales<br>ii) Retinal Imaging to Predict Stroke & Neurological Disease<br>iii) Regulatory Training I - Introduction to QMS Clauses<br>iv) Regulatory Training II - Software Development Life Cycle<br>v) SOP-002 Rev 07 Human Resource Development, SOP-021 Rev 04 Analysis of Data, SOP-039 Rev 00 Traceability and Identification Procedure |
| Nazerollnizam Bin Kasim | i) Mandatory Accreditation Programme Part II: Leading for Impact |
| Lim Hak Min | i) DF(IHT): Digital Forensic<br>ii) FoAI(IHT): Forensic Accounting and Investigation<br>iii) Bursa Academy: Conflict of Interest ("COI") and Governance of COI<br>iv) Mandatory Accreditation Programme Part II: Leading for Impact |
| David Choo Boon Leong | i) Bursa Academy: Conflict of Interest ("COI") and Governance of COI<br>ii) Mandatory Accreditation Programme Part II: Leading for Impact |
| Dato' Law Song Ting | i) Mandatory Accreditation Programme Part II: Leading for Impact |

### 1.9 Board Committee

The Board has established the following committees:

#### i) Audit Committee

The Board has set up an Audit Committee, which composition is in compliance with the relevant regulatory requirements. The report of the Audit Committee is found on pages 31 and 32.

# Corporate Governance Overview Statement
(Continued)

**1. BOARD (Continued)**

**1.9 Board Committee**

**ii) NRC**

The NRC was formed on 28 June 2021 and is governed by its Term of Reference, which defines its scope of authorities, responsibilities and duties and are available for reference at the Company's website at www.nova-hub.com.

It comprised of the following members:

- Peter Wayne Thompson (Chairman), Independent Non-Executive Director
- Lim Hak Min, Independent Non-Executive Director
- David Choo Boon Leong, Independent Non-Executive Director

The Committee shall meet at least once a year or as and when deemed fit and necessary.

The duties and responsibilities of the Committee are as follows:-

- To assist the Board in implementing an assessment program to assess the effectiveness of the Board as a whole, the committee of the Board and the individual director on an annual basis.
- To assist the Board in its annual review of its required mix of skills and experience and other qualities, including core competencies which non-executive Directors should bring to the Board
- To nominate and recommend to the Board suitable candidates for directorships. In making such recommendations, to consider candidates proposed by chief executive office and within the bounds of practicability by any other senior executives or any director or shareholder
- To nominate and recommend to the Board the nominees to fill seats on Board committees and succession planning.
- To assist the Board in developing and establishing commensurate remuneration policies and packages of the Executive Directors.

During the period under view, the Committee met once and was attended by all the members of the Committee. At this meeting, the NRC:-

i) Reviewed the annual assessment of the Board and individual directors;
ii) Discussed and recommended to the Board for re-election of retiring directors in the Annual General Meeting; and
iii) Brought up the need for directors' trainings.

The performance evaluation of the Board is conducted by way of self-assessment. The performance criteria used in this evaluation includes individual contributions of each directors, the overall effectiveness of the Board and its required mix of skill, experience and other qualities including core competencies. Directors are required to fill out the self-assessment forms and provide their feedback, view.

**iii) Employees Share Option Scheme ("ESOS") Committee**

The ESOS Committee comprises of the following members:

- Lim Hak Min (Chairman), Independent Non-Executive Director
- Lai Teik Kin, Executive Director

The ESOS committee was established to administer the Company's ESOS. The Committee's principal function is to ensure that the Scheme is administered in accordance with the by-laws approved by the shareholders of the Company. The present ESOS was implemented on 18 November 2015 and is governed by the by-laws that were approved by the shareholders on 27 August 2015.

The ESOS Committee met once during the period under review with all the members attending the meeting. The ESOS Committee reviewed and discussed the terms, criteria and overall assessment for the ESOS allocation for eligible employees and director.

# Corporate Governance Overview Statement
(Continued)

## 2. DIRECTORS' REMUNERATION

### 2.1 Remuneration Policy and Procedures

The directors' remuneration is determined in accordance to the performance and their capability to the Group. The Board recognizes that levels of remuneration must be sufficient to attract, retain and motivate the directors of the quality required to manage the business of the Company and the Group and to align the interest of the Directors with those of the shareholders. The Remuneration Committee is entrusted under its term of reference to assist the Board, among others, to recommend to the Board the remuneration of the Executive Directors. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. In all instances, the deliberations are conducted with the Directors concerned abstaining from discussions on their individual remuneration.

The details of the remuneration of the Directors of the Group and of the Company for the financial year under review (including remuneration drawn from the subsidiaries) on a name basis are as follows:

| | Company | | Group | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fee RM'000 | Allowance RM'000 | Fee RM'000 | Allowance RM'000 | Salary RM'000 | Defined Contribution Plan RM'000 | Stock Option RM'000 | Benefits in kind RM'000 | Total RM'000 |
| **Executive Director** | | | | | | | | | |
| - Loh Guan Huat Sunny | - | - | - | - | 1,045 | 42 | - | - | 1,087 |
| - Lai Teik Kin | - | - | - | - | 1,069 | 42 | - | - | 1,111 |
| - Nazerollnizam Bin Kasim | - | - | - | - | 375 | 45 | - | - | 420 |
| **Non-Executive Director** | | | | | | | | | |
| - Peter Wayne Thompson | 60 | - | - | - | - | - | - | - | 60 |
| - Lim Hak Min | 55 | - | - | - | - | - | - | - | 55 |
| - David Choo Boon Leong | 45 | - | - | - | - | - | - | - | 45 |
| - Dato' Law Song Ting | 40 | - | - | - | - | - | - | - | 40 |
| **Total** | **200** | **-** | **-** | **-** | **2,489** | **128** | **-** | **-** | **2,817** |

## 3. SHAREHOLDERS

### Relation with Shareholders and Investors

The Board recognises the importance of communicating with shareholders and investors. Information on the Group's business activities and financial performance are disseminated through press release, quarterly reports, annual reports and the Annual General Meeting. In addition, the shareholders and investors may obtain the Company's latest announcement via the Bursa Securities's website at www.bursamalaysia.com.my and the Company's website at www.nova-hub.com.

The principle forum for dialogue with shareholders is during the Annual General Meeting ("AGM"). At the AGM, the Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, Audited Financial Statements, corporate developments in the Group, the resolutions being proposed and on the business of the Group in general.

# Corporate Governance Overview Statement
(Continued)

## 4. ACCOUNTABILITY AND AUDIT

### 4.1 Financial Reporting

The Board is responsible to present a balanced and comprehensive assessment of the Group's financial position to shareholders by means of the annual and quarterly reports and other published information. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness and that the financial statements are drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016.

### 4.2 Directors' Responsibility in Financial Reporting

The Directors are required by the Companies Act 2016 ("Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and the income statements of the Company and the Group for the year then ended.

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the provisions of the Act and applicable approved accounting standards in Malaysia. In preparing the financial statements, the Directors are required to select appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to do so.

The Directors have responsibility for ensuring that the Group keeps proper accounting records which disclose with accuracy at any time the financial position of the Group which enables them to ensure that the financial statements comply with the Act. The Directors also have responsibility for taking such steps as are reasonable to safeguard the assets of the Group for prevention and detection of fraud and other irregularities.

### 4.3 Internal Control and Risk Management

The Board assumes overall responsibility for maintaining a sound system of risk management and internal controls that provide reasonable assurance of effective operations and legal compliance including both internal policies and standard operating procedures. The Group's Statement on Risk Management and Internal Control is set out on pages 29 to 30 of this Annual Report to provide an overview of the state of risk management and internal controls within the Group.

### 4.4 Relationship with Auditors

The Board, via the Audit Committee, maintains a close and transparent relationship with its Auditors in seeking professional advice and ensure compliance with the appropriate accounting standards. The Audit Committee meets the external auditors at least twice a year to discuss their audit plan, audit findings and the Group's financial statements. At least one meeting is held without the presence of the Executive Director and the management to encourage a greater exchange of independent and open dialogue.

The Audit Committee assesses the performance of the external auditors in terms of suitability, objectivity and independence of their services. The Audit Committee will then recommend their reappointment to the Board, subject to shareholders' approval in the AGM.

### 4.5 Compliance with the Code

The Board is satisfied that the Company has in all material aspects complied with the principles and recommendations of the Code during the financial year ended 30 June 2025 except where it was specifically stated otherwise.

# AUDIT COMMITTEE REPORT

The Audit Committee was formed on 1 July 2003 as a committee within the Board of Directors primarily responsible to assist the Directors in carrying out their duties in relation to accounting and financial reporting of the Group and the Company.

## MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee consists of:

| Name | Designation | Directorship |
|---|---|---|
| Lim Hak Min | Chairman | Independent Non-Executive |
| Peter Wayne Thompson | Member | Independent Non-Executive |
| David Choo Boon Leong | Member | Independent Non-Executive |

## TERMS OF REFERENCE ("TOR")

A copy of the TOR of the Audit Committee is available for viewing at the Company's website at www.nova-hub.com.

## SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Audit Committee met 5 times during the financial year ended 30 June 2025. The attendance record of each Director since the last financial year or the date of appointment is as follows:

| | Number of Meetings Attended |
|---|---|
| Peter Wayne Thompson | 5/5 |
| Lim Hak Min | 5/5 |
| David Choo Boon Leong | 5/5 |

During the financial year ended 30 June 2025, the Audit Committee has discharged the following functions and duties:-

### Overview of Financial Performance and Reporting

- Reviewed the quarterly financial result announcement with management for recommendation to the Board for approval. In the review, the parties discussed on the accounting principles and standards that were applied and their judgement of the accounting principles and standards that might affect the financial results and statements;

- Reviewed the Group's annual audited financial statements for recommendation to the Board for approval;

- Review and recommend the Audit Committee Report and the Statement of Risk Management and Internal Control to the Board for consideration and inclusion in the Annual Report of the Company; and

- Reviewed the Annual Report for recommendation to the Board for approval.

### Oversight of External Auditors

- Reviewed and approved the external audit plan of the Company and Group for the year with the external auditors prior to the commencement of the annual audit;

- Reviewed the extent of assistance rendered by management and issues and reservations arising from audits with the external auditors without the presence of management and the Executive Director;

- Reviewed the audit report, issues and reservations arising from the statutory audit with the external auditors;

- Assessed and evaluated the performance, independence and suitability of the external auditor for its re-appointment and made recommendations to the Board on their re-appointment and remuneration, taking into considerations factors including the adequacy of experience and resources of the external auditors and the professional staff assigned to the audit. The external auditors also provided a written confirmation on their independence and the measures used to control the quality of their work; and

- Reviewed the audit and non-audit fees of the external auditors.

# Audit Committee Report
(Continued)

## SUMMARY OF ACTIVITIES OF THE COMMITTEE (Continued)

### Oversight of Internal Audit Function

- Reviewed and approved the risk based internal audit plan with the Internal Auditors, taking into consideration the adequacy, relevance and resources on all significant operational processes and internal controls systems;
- Reviewed and deliberated on issues raised in the internal audit reports in relation to weakness in internal controls;
- Monitored the corrective actions taken on outstanding internal audit issues to ensure that all the key risks and control lapses were duly addressed; and
- Report to the Board on the Internal Auditors' plan and results of Internal Auditors' assessments.

### Review of Related Party Transactions

- Reviewed all recurrent related party transactions within the Group to ensure that the transactions entered into were at arm's length and on normal commercial terms; and
- Reviewed and approved the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions.

## INTERNAL AUDIT FUNCTION

The Board outsource its internal audit function for an annual fee of RM18,000 to a professional consulting firm namely OAC Consulting Sdn. Bhd. which provides support to the Audit Committee in monitoring and managing risks and internal control systems of the Group. It reports directly to the Audit Committee.

The main responsibilities of the internal auditors are:

(i) To assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control system for the Board to make an accurate Statement of Internal Controls in the Annual Report;
(ii) To support the Audit Committee in evaluating the effectiveness of the existing internal control system, identify future requirements and co-develop a prioritized action plan to further enhanced the internal control system;
(iii) To perform a risk assessment of the Group to identify the business processes within the Group that the internal audit should focus on; and
(iv) To allocate resources to areas within the Group in order to provide management and the Audit Committee with efficient and effective levels of internal audit coverage.

The activities of the Internal audit function during the year were as follows:-

- Developed a risk-based internal audit plan;
- Conducted internal audit reviews in accordance with the internal audit plan approved by the Audit Committee;
- Reported the results of internal audits and made recommendations for improvements to the Audit Committee on a periodic basis; and
- Performed follow-up visit to ensure that recommendations for improvement were satisfactorily implemented.

## STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO THE ESOS ALLOCATION

During the financial year, 14,800,000 share options were exercised and 350,000 share options were forfeited pursuant to the criteria as set out in the by-laws of the Company's ESOS. They were made in compliance with the by-laws of the Company's ESOS.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") is fully committed to maintain an effective risk management and internal control framework in accordance with Principle B of the Malaysian Code on Corporate Governance 2021 to safeguard shareholders' investments, the Group's assets and the interest of other stakeholders. The Board is pleased to present the Statement on Risk Management and Internal Control which outlines the Group's internal control framework and risk management system for the financial year ended 30 June 2025 pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("AMLR") of Bursa Securities and the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

**Responsibility**

The Board has overall responsibility for the Group's risk management and system of internal controls and for reviewing its adequacy and effectiveness. Management is responsible for implementing the processes for identifying, assessing, monitoring and reporting of risks and internal control to the Board. Management's duties include taking appropriate and timely corrective actions as needed to mitigate and control these risks and providing assurance to the Board that the processes for identifying, evaluating and managing significant risks have been carried out.

The Board recognises that the system of internal control and risk management is designed to manage and minimize the risk of failure rather than eliminate the risks involved. Therefore, the Board is cognizant that the systems implemented can provide only reasonable and not absolute assurance against the occurrence of any material misstatement loss or fraud.

**Main Features of Risk Management and Internal Control System**

The main features of the Group's internal control system and risk management are described below:

<u>Internal Control and Risk Management Framework</u>

The Board together with Management ensures that there is a sound internal control framework and ongoing process for identifying, evaluating, monitoring and managing the significant risks faced by the Group in the achievement of its objectives and strategies. The Board reviews the process, taking into account changes in the regulatory and business environment to ensure the adequacy and effectiveness of the system of internal controls.

The Group has also in place a risk management framework consisting of three line of defence for managing risks affecting its business and operations. The first line of defence is carried out via the internal controls implemented as part of the day-to-day operations. The second line of defence relates to the oversight function by both the Board and Management. The final and third line of defence is that of the independent assurance providers, namely the Internal Auditors. The framework and ongoing process have been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

<u>Clear roles and responsibilities</u>

The Group has in place an organisational structure that supports business and operational requirements, with clearly defined levels of responsibilities, lines of accountability and delegated authority with appropriate reporting procedures.

The Executive Directors are involved in the day-to-day business operations of the Group. Scheduled informal operational and management meetings are held with Management to identify, discuss and resolve business and operational issues. Significant matters identified during these meetings are highlighted to the Board.

The Board is assisted by the Audit Committee in specific areas in order to enhance the system of internal controls and corporate governance.

<u>Formalised policies and procedures</u>

Clear formalised internal policies and procedures are in place to support the Group to facilitate effective and efficient operations. The Company's subsidiaries are accredited with ISO 9001:2015 and are currently in the process of renewing the certifications Documented internal procedures and standard operating procedures have been put in place and surveillance/certification audits are conducted on a periodic basis by assessors of the ISO certification body to ensure that standard operating procedures are being adhered to.

# Statement on Risk Management and Internal Control
(Continued)

Internal Audit Function

The Group's internal audit function has been outsourced to an independent party which assists the Audit Committee and the Board in discharging their responsibilities. The internal audit function provides independent, objective assurance and advisory services that add value and improve the operations by:

- ensuring the existence of processes to monitor the effectiveness and efficiency of operations and the achievement of business objectives;
- ensuring the adequacy and effectiveness of internal control and management information systems for safeguarding of assets and providing consistent, accurate financial and operational data;
- promoting risk awareness and the value and nature of an effective internal control system;
- ensuring compliance with laws, regulations, corporate policies and procedures;
- assisting management in accomplishing its objectives by adopting a systematic and disciplined audit approach in evaluating and improving the effectiveness of risk management, control and governance processes within the Group's operations; and
- testing the effectiveness and efficiency of the internal controls systems periodically to ensure that they are effective and viable.

The internal audit function reports directly to the Audit Committee and mainly focuses on high priority activities determined by risk assessment in accordance with the Audit Planning Memorandum approved by the Audit Committee. Please refer to the Audit Committee Report on pages 31 and 32.

**Review of the Statement by the External Auditors**

This Statement has been reviewed by the External Auditors for inclusion in the Annual Report 2025 in accordance with Rule 15.23 of the AMLR. Their review was carried out in accordance with the Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants. The External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers* to be set out, nor is factually inaccurate.

**Conclusion by the Board**

The Board, through the Audit Committee, has reviewed the adequacy and effectiveness of the risk management and internal control system based on the information: -

(i) provided by key management in the Company delegated with the responsibility for the development and maintenance of the internal control and risk management framework and processes;

(ii) from the Internal Auditors, who submit regular reports to the Audit Committee which include their independent and objective opinion on the adequacy and effectiveness of the Company's systems of risk management and internal control together with recommendations for improvement; and

(iii) provided by the External Auditors.

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Group's risk management and internal control system does not apply to the associate company as the Board does not have control over its operations. Notwithstanding, the Group's interests are served through representation on the board of the associate company which provide the Board with timely information and decision making in relation to the investment in its associate company.

No material losses were incurred during the financial year under review as a result of weaknesses in risk management and the internal control system. The Board and management will continue to take adequate measures to strengthen the control environment in which the Group operates.

The Board is satisfied that the risk management and internal control systems in place for the financial year ended 30 June 2025 are adequate and effective to safeguard shareholders' investments, the Group's assets and the interest of other stakeholders.

This Statement is made in accordance with the resolution of the Board dated 30 October 2025.

# ADDITIONAL COMPLIANCE INFORMATION

The following set out below is disclosed in compliance with the ACE Market Listing Requirements of Bursa Securities:

## 1. OPTIONS, WARRANTS OR CONVERIBLE SECURITIES

(a) Employee Share Option Scheme ("ESOS) during the financial year

At an extraordinary general meeting held on 27 August 2015, the Company's shareholders approved the establishment of a ten (10) years ESOS of up to thirty percent (30%) of the issued and paid up capital of the Company. The ESOS was implemented on 18 November 2015.

The number of options outstanding as at the end of the financial year are as follows:-

| | | | Number of options over ordinary shares of RM0.10 | | | |
|---|---|---|---|---|---|---|
| **Option Grant date** | **Option Expiry date** | **Exercise price** | **Granted** | **Exercised** | **Forfeited** | **As at 30.06.2025** |
| 02.06.2016 | 17.11.2025 | RM 0.0728 | 15,000,000 | (4,500,000) | (10,500,000) | - |
| 02.05.2018 | 17.11.2025 | RM 0.0656 | 23,000,000 | (17,450,021) | (49,979) | 5,500,000 |
| 30.08.2018 | 17.11.2025 | RM 0.1238 | 25,300,000 | (800,000) | (22,200,000) | 2,300,000 |

Number of options exercisable as at 30 June 2025 is 7,800,000.

Details of the ESOS options granted to the Directors, senior management and employees as at 30 June 2025 are as follows: -

| Since commencement of ESOS on 18 November 2015 | | | | |
|---|---|---|---|---|
| | **Aggregate ESOS Options Granted** | **Aggregate ESOS Options Exercised** | **Aggregate ESOS Options Forfeited/ Lapsed** | **Aggregate ESOS Options Outstanding** |
| Directors and chief executive | 10,500,000 | (3,000,000) | (4,500,000) | 3,000,000 |

| | **Aggregate maximum allocation applicable (%)** | **Aggregate ESOS Options Grant Since 18 November 2015** |
|---|---|---|
| Directors and senior management | 70.0 | 69.5 |

## 2. UTILISATION OF PROCEEDS FROM NEW SHARES ISSUED

During the financial year ended 30 June 2025, there were no proceeds raised from corporate proposals.

## 3. AUDIT AND NON- AUDIT FEES

Audit and non-audit fees paid or payable to external auditors for the financial year ended 30 June 2025 are as follows:-

| | **Group RM'000** | **Company RM'000** |
|---|---|---|
| Audit Fee | 473 | 200 |
| Non Audit Fee | 10 | 10 |

## 4. MATERIAL CONTRACTS

There are no material contracts involving directors or major shareholders other than those entered in the ordinary course of the business by the Company as disclosed in the financial statements.

# FINANCIAL STATEMENT



# DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial period from 1 April 2024 to 30 June 2025.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, software research and development, provision of e-business solutions through the sale of application software and professional services for software customisation and implementation. The principal activities and details of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

The Company is listed on the ACE Market of Bursa Malaysia Securities Berhad.

## CHANGE OF FINANCIAL YEAR END

The financial year end of the Company has been changed from 31 March to 30 June and this is the first set of financial statements prepared to end on the new accounting date. As a result of this, the audited financial statements are prepared for a period of 15 months from 1 April 2024 to 30 June 2025.

## RESULTS

| | Group RM | Company RM |
|---|---|---|
| Loss for the financial period | (12,072,832) | (35,138,739) |
| Attributable to: | | |
| Owners of the parent | (9,869,503) | (35,138,739) |
| Non-controlling interests | (2,203,329) | - |
| | (12,072,832) | (35,138,739) |

## DIVIDENDS

There were no dividends paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend 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.

# Directors' Report
(Continued)

## SHARE CAPITAL

### Ordinary shares

During the financial period, the issued and paid-up ordinary share capital of the Company has been increased from RM106,130,797 to RM145,690,528 as follows:

(i) through the issue of 940,647,188 new ordinary shares from the conversion of Irredeemable Convertible Preference Shares ("ICPS") at a conversion price of RM0.04 per ordinary shares in the following manner:

   a) the cancellation of 958,999,776 ICPS surrendered to the Company for conversion purpose; and

   b) the receipt of RM28,035,893 in cash being the difference between the aggregate issue price of the ICPS surrendered and the aggregate conversion price of the new ordinary shares issued;

(ii) through the issue of 14,800,000 new ordinary shares for cash consideration pursuant to the exercise of the Company's share options granted to eligible directors and employees of the group.

### Irredeemable Convertible Preference Shares

During the financial period, the ICPS capital was reduced by RM9,589,998 to nil following the surrender and cancellation of ICPS in exchange for ordinary shares, as detailed above.

Details of the movements in the ordinary and preference share capital of the Company during the financial period are disclosed in Notes 16 (a) and 16 (b) to the financial statements.

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

Proceeds from the new shares issued during the financial period will be utilised for purposes of funding future business projects/investments and working capital of the Group.

## DIRECTORS OF THE COMPANY

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

Dato' Law Song Ting
David Choo Boon Leong
Lai Teik Kin
Lim Hak Min
Loh Guan Huat Sunny
Nazerollnizam Bin Kasim
Peter Wayne Thompson

# Directors' Report
(Continued)

## DIRECTORS OF SUBSIDIARY COMPANIES

The directors of the Company's subsidiary companies (excluding directors who are also directors of the Company) during the period commencing from the beginning of the financial period to the date of this report are:

Tan Yew Soon
Tan Chee Ping
Stephen John Victor Price
Irma S. Castillo
Emma C. Delos Santos
Teresita F. Carmelo

## DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial period in shares in the Company and its related corporations during the financial period were as follows:

**Shareholdings in the Company**

| | No. of ordinary share | | | |
|---|---|---|---|---|
| | **As at 01.04.2024** | **Bought** | **Sold** | **As at 30.06.2025** |
| **Direct interest** | | | | |
| Lai Teik Kin | 4,623,170 | 73,132,113 | (12,755,400) | 64,999,883 |
| David Choo Boon Leong | 350,000 | 600,000 | - | 950,000 |
| Loh Guan Huat Sunny | - | 515,666,665 | - | 515,666,665 |
| **Indirect interest** | | | | |
| Loh Guan Huat Sunny | 45,454,545 | 33,333,333 | (78,787,878) | - |

| | No. of irredeemable convertible preference share | | | |
|---|---|---|---|---|
| | **As at 01.04.2024** | **Bought** | **Sold** | **As at 30.06.2025** |
| **Direct interest** | | | | |
| Lai Teik Kin | 72,328,453 | - | (72,328,453) | - |
| David Choo Boon Leong | 600,000 | - | (600,000) | - |
| **Indirect interest** | | | | |
| Loh Guan Huat Sunny | 541,212,120 | - | (541,212,120) | - |

| | | No. of options over ordinary shares in the Company | | | | |
|---|---|---|---|---|---|---|
| | **Exercise price* RM/share** | **As at 01.04.2024** | **Granted** | **Exercise** | **Forfeited** | **As at 30.06.2025** |
| Lai Teik Kin | 0.0728 | 1,000,000 | - | (1,000,000) | - | - |
| | 0.0656 | 5,000,000 | - | (2,000,000) | - | 3,000,000 |

# Directors' Report
(Continued)

## DIRECTORS' INTERESTS (CONT'D)

**Shareholdings in a subsidiary, EyRIS Pte. Ltd.**

| | No. of ordinary share in a subsidiary | | | |
|---|---|---|---|---|
| | **As at 01.04.2024** | **Bought** | **Sold** | **As at 30.06.2025** |
| **Indirect interest** | | | | |
| Lai Teik Kin | 63,000 | - | - | 63,000 |
| Loh Guan Huat Sunny | 63,000 | - | - | 63,000 |

**Shareholdings in a subsidiary, Dex-Lab Pte. Ltd.**

| | No. of ordinary share in a subsidiary | | | |
|---|---|---|---|---|
| | **As at 01.04.2024** | **Bought** | **Sold** | **As at 30.06.2025** |
| **Direct interest** | | | | |
| Loh Guan Huat Sunny | 40,000 | - | - | 40,000 |

Other than as stated above, none of the other directors in office at the end of the financial period had any interest in ordinary shares of the Company or its related corporations during the financial period.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in directors' remuneration in this report) 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 other than any deemed benefit which may arise from transactions as disclosed in Note 31 to the financial statements.

Neither during, nor at the end of the financial period, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

## DIRECTORS' REMUNERATION

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2025 RM** | **31.03.2024 RM** | **30.06.2025 RM** | **31.03.2024 RM** |
| Executive Directors' remuneration: | | | | |
| *Directors of Holding Company* | | | | |
| - Salaries, allowances and others benefit | 2,489,113 | 1,989,973 | 375,000 | 300,000 |
| - Contribution to a defined contribution plan | 128,060 | 102,257 | 45,000 | 36,000 |
| | 2,617,173 | 2,092,230 | 420,000 | 336,000 |
| Non-Executive Directors' fees | 200,000 | 200,000 | 200,000 | 200,000 |
| Total directors' remuneration | 2,817,173 | 2,292,230 | 620,000 | 536,000 |

## INDEMNITIES TO DIRECTORS, OFFICERS OR AUDITORS

The amount of indemnity insurance coverage effected during the financial period for the Directors and officers of the Company and of the Group acting in supervisory capacities is up to a limit of RM5,000,000. The insurance premium paid during the financial period amounted to RM16,065.

## EMPLOYEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("ESOS") is governed by the By-Laws which were approved by the shareholders on 27 August 2015. This ESOS was implemented on 18 November 2015 and will expire on 17 November 2025.

The following options over unissued ordinary shares of the Company were granted to eligible employees, including executive directors of the Company and its subsidiaries under the ESOS:

| | | | |
|---|---|---|---|
| Date offer | 02-Jun-16 | 02-May-18 | 30-Aug-18 |
| Original exercise price | RM0.10 | RM0.09 | RM0.17 |
| Revised exercise price (effective from 24 March 2020)* | RM0.0728 | RM0.0656 | RM0.1238 |
| Number of options granted | | | |
| i) Tranche 1 | 4,500,000 | 4,700,000 | 4,450,000 |
| i) Tranche 2 | 10,500,000 | 18,300,000 | 20,850,000 |

The movements of options over unissued ordinary shares during the financial period are as follows:

| | | No. of options over ordinary shares in the Company | | | | |
|---|---|---|---|---|---|---|
| **Grant date** | **Exercise price* RM/share** | **As at 01.04.2024** | **Granted** | **Exercise** | **Forfeited** | **As at 30.06.2025** |
| 02.06.2016 Tranche 1 | 0.0728 | 3,500,000 | - | (3,500,000) | - | - |
| 02.05.2018 Tranche 1 | 0.0656 | 3,500,000 | - | (3,500,000) | - | - |
| 02.05.2018 Tranche 2 | 0.0656 | 12,500,000 | - | (7,000,000) | - | 5,500,000 |
| 30.08.2018 Tranche 1 | 0.1238 | 2,050,000 | - | (800,000) | (350,000) | 900,000 |
| 30.08.2018 Tranche 2 | 0.1238 | 1,400,000 | - | - | - | 1,400,000 |
| | | 22,950,000 | - | (14,800,000) | (350,000) | 7,800,000 |

* The exercise prices of options granted have been adjusted following the issuance of ICPS on 24 March 2020

The options outstanding at the end of financial period will expire on 17 November 2025.

The salient features of the ESOS as contained in the By-Laws are as follows:

(i) The total number of new ordinary shares that may be made available under the ESOS shall not exceed thirty per cent (30%) of the issued and paid-up capital of the Company.

(ii) Eligible employees are Directors and confirmed employees of the Group (save and except for companies which are dormant) who meet the criteria of eligibility for participation as set out in the By- Laws, at the date of the offer.

# Directors' Report
(Continued)

## EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The salient features of the ESOS as contained in the By-Laws are as follows: (cont'd)

(iii) The option is personal to the grantee and is non-assignable.

(iv) An option may, at the discretion of the ESOS Committee, be determined based on a discount of not more than 10% from the 5-day weighted average market price of the underlying shares as shown in the Daily Official List issued by Bursa Malaysia for the 5 market days immediately preceding the Date of Offer in writing to the grantee.

(v) An option may be exercised by notice in writing to the Company in the prescribed form from time to time during the option period in respect of all or any part of the new shares comprised in the option, provided that where an option is exercised in respect of a part of the new shares comprised therein, the number of new shares of which such an option may be exercised shall not be less than one hundred (100) and shall be in multiples of one hundred (100).

## 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 had satisfied themselves that all known bad debts had 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 accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and of the Company; 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 and 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 which would render any amount stated in the financial statements of the Group and of the Company 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; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

## Directors' Report
(Continued)

## OTHER STATUTORY INFORMATION (CONT'D)

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 its obligations as and 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 the operations of the Group and of the Company for the financial period in which this report is made.

## AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are amounted to RM482,562 and RM210,000 (31.03.2024: RM279,793 and RM75,000) during the financial period.

## SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 35 of the financial statements.

## AUDITORS

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

Signed on behalf of the board of directors in accordance with a resolution of the directors,

…………………………………
**Loh Guan Huat Sunny**
Director

…………………………………
**Lai Teik Kin**
Director

Date: 30 October 2025

# STATEMENT BY DIRECTORS
## PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **Loh Guan Huat Sunny** and **Lai Teik Kin**, being two of the directors of **NOVA MSC BERHAD**, do hereby state on behalf of the directors that in the opinion of the directors, the financial statements as set out on pages 52 to 129, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of the results of their financial performance and their cash flows of the Group and of the Company for the financial period from 1 April 2024 to 30 June 2025.

Signed on behalf of the board of directors in accordance with a resolution of the directors,

| | |
|---|---|
| ........................................................ | ........................................................ |
| **Loh Guan Huat Sunny** | **Lai Teik Kin** |
| Director | Director |

Date: 30 October 2025

# STATUTORY DECLARATION
## PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, **Tan Chee Ping,** being the officer primarily responsible for the financial management of **NOVA MSC BERHAD**, do solemnly and sincerely declare that the financial statements of the Group and of the Company as set out on pages 52 to 129, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at )
Johor Bahru in the State of Johor )
on this 30 October 2025 )

Before me,

...................................
**Tan Chee Ping**
Officer

# INDEPENDENT AUDITORS' REPORT
## TO THE MEMBERS OF NOVA MSC BERHAD

### Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the financial statements of Nova MSC Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 52 to 129.

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 30 June 2025, and of their financial performance and their cash flows for the 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

The consolidated financial statements include intangible assets (development expenditure) of RM9,547,941 allocated to a specific cash-generating unit (CGU) included in the total development expenditure capitalised of RM28,999,516 as stated in note 8 to the financial statements. Management assessed the carrying amount of this CGU for impairment using value-in-use (VIU) models based on forecast cash flows derived from projected contract revenues. We were unable to obtain sufficient appropriate audit evidence to support the reasonableness of the revenue growth assumptions used in these models. This limitation arose due to the absence of corroborative documentation, such as signed client contracts, binding sales orders, credible market studies, or other reliable evidence to substantiate the forecast revenues. Our audit procedures, including sensitivity analyses and reviews of historical performance, indicate that the revenue forecasts may overstate the recoverable amount of this CGU potentially requiring an impairment of the related development expenditure.

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

*Independence and Other Ethical Responsibilities*

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

# Independent Auditors' Report
**To The Members Of Nova Msc Berhad** (Continued)

## Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable to conclude whether or not the other information is materially misstated with respect to that 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 period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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.

## Key Audit Matters (Cont'd)

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| **Going Concern**<br><br>The group incurred a loss of RM12,072,832 for the period and has reported losses since 2020, indicating persistent financial difficulties. As at the reporting date, the group's equity is RM49,055,855 and operations were funded via new share issue. Management's assessment of going concern is based on cash flow forecasts for the next 12 months, assuming continued access to funding and achievement of revenue targets. | Our audit procedures included the following:<br><br>• We reviewed management's going concern assessment, including cash flow forecasts and financing plans for the next 12 months, to evaluate the group's ability to meet its obligations as they fall due.<br><br>• We performed sensitivity analyses on the cash flow forecasts, assessing key assumptions such as revenue growth, cost projections, and funding requirements, particularly in the context of the scaling phase where significant spending in research and product development are ongoing.<br><br>• We examined the terms and conditions of the new share issue and inquired about additional funding plans to assess their sufficiency and likelihood of success.<br><br>• We reviewed post-year-end revenue and funding events to corroborate management's plans. We challenged management on the achievability of forecasts and obtained written representations on their mitigation plans. |

# Independent Auditors' Report

**To The Members Of Nova Msc Berhad** (Continued)

## Key Audit Matters (Cont'd)

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| **Contract Revenue Recognition**<br><br>The group's primary sources of income are from services, amounting to RM45,734,751 in the current period. Revenue of RM37,803,309 from these contracts is recognised over time, based on the input method. This area involves significant management judgment and estimation uncertainty, particularly in determining the total estimated costs, assessing the stage of completion, and identifying any variations, claims, or potential impairments arising from disputes with customers. | Our audit procedures included the following:<br><br>• We conducted walkthroughs of the revenue recognition process and tested the design, implementation, and operating effectiveness of key internal controls over contract revenue, including those related to contract approval, progress tracking, and cost estimation.<br><br>• For a sample of contracts, we evaluated management's application of the five-step model under MFRS 15 (Revenue from Contracts with Customers), including identification of performance obligations, determination of transaction prices, allocation to obligations, and recognition over time.<br><br>• We held discussions with management and project teams to understand the status of ongoing contracts, including any disputes, variations, or indicators of impairment. We corroborated these representations by inspecting correspondence with customers and legal advice where applicable.<br><br>• For selected contracts, we compared budgeted income against contract awards and variation orders, and scrutinised cost estimates by challenging key assumptions like labour rates, material costs, and contingency provisions. We assessed the historical accuracy of management's estimates by comparing prior period budgets to actual outcomes and considered the impact of any changes in estimates during the period. |

# Independent Auditors' Report
**To The Members Of Nova Msc Berhad** (Continued)

**Key Audit Matters (Cont'd)**

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| | Our audit procedures included the following:<br><br>• We recalculated the percentage of completion for sampled projects using source data on costs incurred and total estimates, and verified the resulting revenue recognised. We also evaluated the appropriateness of any adjustments for errors or changes in estimates. |

**Responsibilities of the Directors for the Financial Statements**

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

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.

# Independent Auditors' Report
**To The Members Of Nova Msc Berhad** (Continued)

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

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

- 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.

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

# Independent Auditors' Report
**To The Members Of Nova Msc Berhad** (Continued)

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

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.

**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:

(a) the subsidiaries of which we have not acted as auditors, are disclosed in note 9 to the financial statements.

(b) in our opinion, we have not obtained all the information and explanations that we required.

**Other Matters**

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. The financial statements of the Group and of the Company for the financial year ended 31 March 2024 are audited by another firm of chartered accountants whose report dated 22 July 2024 express an unqualified opinion on these statements.

**LTTH PLT**
201906001236 (LLP0020047-LCA) & AF 0071
Chartered Accountants

**LIM LIP CHIN**
01931/02/2027 J
Chartered Accountant

Petaling Jaya

Date: 30 October 2025

# STATEMENTS OF FINANCIAL POSITION
## AS AT 30 JUNE 2025

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **30.06.2025** | **31.03.2024** | **30.06.2025** | **31.03.2024** |
| | **Notes** | **RM** | **RM** | **RM** | **RM** |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 5 | 200,053 | 292,263 | 25,403 | 16,193 |
| Right-of-use assets | 6 | 4,766,090 | 861,577 | 353,982 | 205,710 |
| Goodwill | 7 | - | 291,430 | - | - |
| Intangible assets | 8 | 29,060,430 | 35,897,733 | - | 2,709 |
| Investment in subsidiaries | 9 | - | - | 11,342,357 | 28,972,601 |
| Investment in associates | 10 | 662,821 | 822,042 | - | - |
| Amount due from subsidiaries | 11 | - | - | 11,644,430 | 8,344,430 |
| | | 34,689,394 | 38,165,045 | 23,366,172 | 37,541,643 |
| **Current Assets** | | | | | |
| Contract assets | 12 | 2,474,522 | 3,521,764 | - | 5,417 |
| Inventories | 13 | 2,000,759 | 2,218,397 | - | - |
| Trade and other receivables | 14 | 7,725,935 | 9,806,674 | 6,875,705 | 21,403,915 |
| Current tax assets | | 72,478 | 72,478 | 72,478 | 72,478 |
| Cash and cash equivalents | 15 | 23,417,950 | 4,364,704 | 21,550,802 | 1,190,600 |
| | | 35,691,644 | 19,984,017 | 28,498,985 | 22,672,410 |
| **TOTAL ASSETS** | | 70,381,038 | 58,149,062 | 51,865,157 | 60,214,053 |
| **EQUITY** | | | | | |
| Share capital | 16 | 145,690,528 | 115,720,795 | 145,690,528 | 115,720,795 |
| Share option reserve | 17 | 552,350 | 1,480,650 | 552,350 | 1,480,650 |
| Accumulated losses | | (106,245,427) | (96,413,024) | (97,174,811) | (62,073,172) |
| Foreign currency translation reserve | | 11,732,717 | 10,524,106 | - | - |
| **Equity attributable to the shareholders of the Company** | | 51,730,168 | 31,312,527 | 49,068,067 | 55,128,273 |
| Non-controlling interests | | (2,674,313) | (540,661) | - | - |
| **TOTAL EQUITY** | | 49,055,855 | 30,771,866 | 49,068,067 | 55,128,273 |

*The accompanying notes form an integral part of these financial statements.*

# Statements of Financial Position

As at 30 June 2025(Continued)

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 30.06.2025 | 31.03.2024 | 30.06.2025 | 31.03.2024 |
| | Notes | RM | RM | RM | RM |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Lease liabilities | 18 | 3,838,283 | 33,070 | 172,414 | 33,070 |
| Bank borrowings | 20 | 3,215,719 | - | - | - |
| | | 7,054,002 | 33,070 | 172,414 | 33,070 |
| **Current liabilities** | | | | | |
| Contract liabilities | 12 | 1,794,068 | 7,283,458 | 1,640,312 | 2,096,985 |
| Trade and other payables | 19 | 7,821,114 | 11,074,337 | 805,736 | 2,771,776 |
| Bank borrowings | 20 | 3,510,069 | 8,070,240 | - | - |
| Lease liabilities | 18 | 1,145,930 | 916,091 | 178,628 | 183,949 |
| | | 14,271,181 | 27,344,126 | 2,624,676 | 5,052,710 |
| **TOTAL LIABILITIES** | | 21,325,183 | 27,377,196 | 2,797,090 | 5,085,780 |
| **TOTAL EQUITY AND LIABILITIES** | | 70,381,038 | 58,149,062 | 51,865,157 | 60,214,053 |

*The accompanying notes form an integral part of these financial statements.*

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2025

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM |
| Revenue | 21 | 45,734,751 | 33,045,026 | 5,758,079 | 2,740,649 |
| Other income | | 433,208 | 4,002,089 | - | 126 |
| Employee benefits expenses | 22 | (25,084,559) | (24,573,086) | (3,457,296) | (2,756,366) |
| Hardware and material costs | | (6,687,547) | (4,983,760) | (861,562) | (570,990) |
| Other expenses | | (11,462,486) | (5,512,348) | (1,322,035) | (950,144) |
| Depreciation and amortisation | | (10,725,063) | (8,767,096) | (235,343) | (197,557) |
| Impairment loss on intangible assets | | (4,045,041) | - | - | - |
| Impairment loss on goodwill | | (274,171) | - | - | - |
| Impairment loss on investment in subsidiaries | | - | - | (17,630,244) | - |
| Impairment gain/(loss) on financial assets and contract assets, net of reversals | | 1,096,636 | 622,290 | (17,382,922) | 553,159 |
| Interest income | | 56 | 52 | - | - |
| Finance costs | 23 | (946,157) | (765,716) | (7,416) | (15,343) |
| Share of results of associates | | (112,459) | 109,556 | - | - |
| **Loss before taxation** | 25 | (12,072,832) | (6,822,993) | (35,138,739) | (1,196,466) |
| Taxation | 26 | - | (10,929) | - | - |
| **Loss for the financial period/year** | | (12,072,832) | (6,833,922) | (35,138,739) | (1,196,466) |

*The accompanying notes form an integral part of these financial statements.*

# Statements Of Profit Or Loss And Other Comprehensive Income

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

| | Note | Group 01.04.2024 to 30.06.2025 RM | Group 01.04.2023 to 31.03.2024 RM | Company 01.04.2024 to 30.06.2025 RM | Company 01.04.2023 to 31.03.2024 RM |
|---|---|---|---|---|---|
| **Loss for the financial period/year** | | (12,072,832) | (6,833,922) | (35,138,739) | (1,196,466) |
| **Other comprehensive loss** | | | | | |
| *Item that may be reclassified subsequently to profit or loss:* | | | | | |
| Gain/(Loss) on foreign currency translation | | 1,278,288 | (532,631) | - | - |
| **Other comprehensive gain/(loss) for the financial period/year, net of tax** | | 1,278,288 | (532,631) | - | - |
| **Total comprehensive loss for the financial period/year** | | (10,794,544) | (7,366,553) | (35,138,739) | (1,196,466) |
| **Net loss for the financial period/ year attributable to:** | | | | | |
| Owners of Company | | (9,869,503) | (6,297,771) | (35,138,739) | (1,196,466) |
| Non-controlling interests | | (2,203,329) | (536,151) | - | - |
| | | (12,072,832) | (6,833,922) | (35,138,739) | (1,196,466) |
| **Total comprehensive loss for the financial period/year attributable to:** | | | | | |
| Owners of Company | | (8,660,892) | (6,820,304) | (35,138,739) | (1,196,466) |
| Non-controlling interests | | (2,133,652) | (546,249) | - | - |
| | | (10,794,544) | (7,366,553) | (35,138,739) | (1,196,466) |
| **Loss per share attributable to Owners of the Company (Sen)** | | | | | |
| Basic | 27 | (0.6406) | (0.5290) | | |
| Diluted | 27 | (0.6374) | (0.4330) | | |

*The accompanying notes form an integral part of these financial statements.*

# STATEMENTS OF CHANGES IN EQUITY
## FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2025

| | Attributable to owners of Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Non-distributable | | | | Distributable | | | |
| | Share capital | | | | | | | |
| GROUP | Ordinary shares RM | Irredeemable convertible preference shares RM | Share option reserve RM | Foreign currency translation reserve RM | Accumulated losses RM | Sub-total RM | Non controlling interests RM | Total equity RM |
| **As at 1 April 2024** | **106,130,797** | **9,589,998** | **1,480,650** | **10,524,106** | **(96,413,024)** | **31,312,527** | **(540,661)** | **30,771,866** |
| Transaction with owners: | | | | | | | | |
| Issuance of ordinary shares pursuant to: | | | | | | | | |
| - conversion to ICPS | 37,625,891 | - | - | - | - | 37,625,891 | - | 37,625,891 |
| - exercise of ESOS | 1,933,840 | - | (891,200) | - | - | 1,042,640 | - | 1,042,640 |
| | **39,559,731** | **-** | **(891,200)** | **-** | **-** | **38,668,531** | **-** | **38,668,531** |
| Conversion of ICPS to ordinary shares | - | (9,589,998) | - | - | - | (9,589,998) | - | (9,589,998) |
| Share options forfeited | - | - | (37,100) | - | 37,100 | - | - | - |
| **Total transaction with owners** | **39,559,731** | **(9,589,998)** | **(928,300)** | **-** | **37,100** | **29,078,533** | **-** | **29,078,533** |
| Loss for the financial period | - | - | - | - | (9,869,503) | (9,869,503) | (2,203,329) | (12,072,832) |
| Other comprehensive loss: | | | | | | | | |
| Foreign currency translation differences for foreign operations | - | - | - | 1,208,611 | - | 1,208,611 | 69,677 | 1,278,288 |
| **Total comprehensive loss for the financial period** | **-** | **-** | **-** | **1,208,611** | **(9,869,503)** | **(8,660,892)** | **(2,133,652)** | **(10,794,544)** |
| **As at 30 June 2025** | **145,690,528** | **-** | **552,350** | **11,732,717** | **(106,245,427)** | **51,730,168** | **(2,674,313)** | **49,055,855** |

*The accompanying notes form an integral part of these financial statements.*

# Statements Of Changes In Equity

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

| | Attributable to owners of Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Non-distributable | | | | Distributable | | | |
| | Share capital | | | | | | | |
| GROUP | Ordinary shares RM | Irredeemable convertible preference shares RM | Share option reserve RM | Foreign currency translation reserve RM | Accumulated losses RM | Sub-total RM | Non controlling interests RM | Total equity RM |
| **As at 1 April 2023** | **105,665,365** | **9,706,356** | **1,570,750** | **11,046,639** | **(90,205,353)** | **37,783,757** | **5,588** | **37,789,345** |
| Transaction with owners: | | | | | | | | |
| Issuance of ordinary shares pursuant to: | | | | | | | | |
| - conversion to ICPS | 465,432 | - | - | - | - | 465,432 | - | 465,432 |
| | **465,432** | **-** | **-** | **-** | **-** | **465,432** | **-** | **465,432** |
| Conversion of ICPS to ordinary shares | - | (116,358) | - | - | - | (116,358) | - | (116,358) |
| Share options forfeited | - | - | (90,100) | - | 90,100 | - | - | - |
| **Total transaction with owners** | **465,432** | **(116,358)** | **(90,100)** | **-** | **90,100** | **349,074** | **-** | **349,074** |
| Loss for the financial year | - | - | - | - | (6,297,771) | (6,297,771) | (536,151) | (6,833,922) |
| Other comprehensive loss: | | | | | | | | |
| Foreign currency translation differences for foreign operations | - | - | - | (522,533) | - | (522,533) | (10,098) | (532,631) |
| **Total comprehensive loss for the financial year** | **-** | **-** | - | **(522,533)** | **(6,297,771)** | **(6,820,304)** | **(546,249)** | **(7,366,553)** |
| **As at 31 March 2024** | **106,130,797** | **9,589,998** | **1,480,650** | **10,524,106** | **(96,413,024)** | **31,312,527** | **(540,661)** | **30,771,866** |

*The accompanying notes form an integral part of these financial statements.*

# Statements Of Changes In Equity

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

| | Attributable to owners of Company | | | | |
|---|---|---|---|---|---|
| | Non-distributable | | | Distributable | |
| | Share capital | | | | |
| Company | Ordinary shares RM | Irredeemable convertible preference shares RM | Share option reservce RM | Accumulated losses RM | Total equity RM |
| **At 1 April 2023** | **105,665,365** | **9,706,356** | **1,570,750** | **(60,966,806)** | **55,975,665** |
| Transaction with owners: | | | | | |
| Issuance of ordinary shares | | | | | |
| - conversion to ICPS | 465,432 | - | - | - | 465,432 |
| | **465,432** | **-** | **-** | **-** | **465,432** |
| Conversion of ICPS to ordinary shares | - | (116,358) | - | - | (116,358) |
| Share options forfeited | - | - | (90,100) | 90,100 | - |
| **Total transaction with owners** | **465,432** | **(116,358)** | **(90,100)** | **90,100** | **349,074** |
| **Total comprehensive loss for the financial year** | **-** | **-** | **-** | **(1,196,466)** | **(1,196,466)** |
| **At 31 March 2024 and 1 April 2024** | **106,130,797** | **9,589,998** | **1,480,650** | **(62,073,172)** | **55,128,273** |
| Transaction with owners: | | | | | |
| Issuance of ordinary shares | | | | | |
| - conversion to ICPS | 37,625,891 | - | - | - | 37,625,891 |
| - exercise of ESOS | 1,933,840 | - | (891,200) | - | 1,042,640 |
| | **39,559,731** | **-** | **(891,200)** | **-** | **38,668,531** |
| Conversion of ICPS to ordinary shares | - | (9,589,998) | - | - | (9,589,998) |
| Share options forfeited | - | - | (37,100) | 37,100 | - |
| **Total transaction with owners** | **39,559,731** | **(9,589,998)** | **(928,300)** | **37,100** | **29,078,533** |
| **Total comprehensive loss for the financial period** | **-** | **-** | **-** | **(35,138,739)** | **(35,138,739)** |
| **At 30 June 2025** | **145,690,528** | **-** | **552,350** | **(97,174,811)** | **49,068,067** |

*The accompanying notes form an integral part of these financial statements.*

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2025

| | Group | | Company | |
|---|---|---|---|---|
| | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Loss before taxation | (12,072,832) | (6,822,993) | (35,138,739) | (1,196,466) |
| Adjustments for: | | | | |
| Amortisation of intangible assets | 8,861,863 | 7,081,305 | 2,709 | 2,500 |
| Depreciation of property, plant and equipment | 230,890 | 202,070 | 16,810 | 18,734 |
| Depreciation of right-of-use assets | 1,632,310 | 1,483,721 | 215,824 | 176,323 |
| Net (reversal)/additional of impairment loss for: | | | | |
| - contract assets | (697,221) | - | - | - |
| - trade receivables | (399,415) | (622,290) | - | (553,159) |
| - amount due from subsidiaries | - | - | 17,382,922 | - |
| - investment in subsidiaries | - | - | 17,630,244 | - |
| - intangible assets | 4,045,041 | - | - | - |
| - goodwill | 274,171 | - | - | - |
| Intangible assets written off | - | 25,263 | - | - |
| Interest expense | 946,157 | 765,716 | 7,416 | 15,343 |
| Interest income | (56) | (52) | - | - |
| Property, plant and equipment written off | 913 | - | - | - |
| Share of associates results | 112,459 | (109,556) | - | - |
| Unrealised gain on foreign exchange | 3,727,271 | (2,429,076) | - | - |
| **Operating profit/(loss) before changes in working capital** | 6,661,551 | (425,892) | 117,186 | (1,536,725) |
| Changes in: | | | | |
| Inventories | (126,246) | (1,335,859) | - | - |
| Contract assets | 2,385,223 | 3,299,324 | 5,417 | (5,174) |
| Trade and other receivables | 2,067,980 | 1,137,711 | (2,854,712) | 3,036,071 |
| Contract liabilities | (5,264,405) | 1,626,194 | (456,673) | 1,241,258 |
| Trade and other payables | (5,892,925) | 1,392,542 | (1,966,040) | (2,066,739) |
| **Cash (used in)/generated from operations** | (168,822) | 5,694,020 | (5,154,822) | 668,691 |
| Interest received | 56 | 52 | - | - |
| Tax paid | - | (43,229) | - | (32,300) |
| **Net cash (used in)/generated from operating activities** | (168,766) | 5,650,843 | (5,154,822) | 636,391 |

*The accompanying notes form an integral part of these financial statements.*

# Statements Of Cash Flows

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

| | Group | | Company | |
|---|---|---|---|---|
| | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Purchase of property, plant and equipment | (165,382) | (94,193) | (26,020) | (8,698) |
| Payments for development expenditure (Note 28 (a)) | (8,116,188) | (5,250,542) | - | - |
| **Net cash used in investing activities** | (8,281,570) | (5,344,735) | (26,020) | (8,698) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from issuance of shares pursuant to exercise of ESOS | 1,042,640 | - | 1,042,640 | - |
| Proceeds from issuance of shares pursuant to conversion of ICPS | 28,035,893 | 349,074 | 28,035,893 | 349,074 |
| Repayment of principal portion of lease liabilities (Note 28 (b)) | (1,494,637) | (1,719,019) | (230,073) | (174,648) |
| Repayment of bank borrowing (Note 28 (b)) | (866,513) | - | - | - |
| Advance to subsidiaries | - | - | (3,300,000) | |
| Interest paid | (946,157) | (765,716) | (7,416) | (15,343) |
| **Net cash generated from/(used in) financing activities** | 25,771,226 | (2,135,661) | 25,541,044 | 159,083 |
| **Net increase/(decrease) in cash and cash equivalents** | 17,320,890 | (1,829,553) | 20,360,202 | 786,776 |
| Cash and cash equivalents at beginning of the financial period/year | 4,364,704 | 6,697,430 | 1,190,600 | 403,824 |
| Foreign exchange difference on opening balance | 1,732,356 | (503,173) | - | - |
| **Cash and cash equivalents at end of the financial period/year (Note 15)** | 23,417,950 | 4,364,704 | 21,550,802 | 1,190,600 |

*The accompanying notes form an integral part of these financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2025

## 1. CORPORATE INFORMATION

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

The principal place of business of the Company is located at Suite A-18-3, Tower A, Level 18, Northpoint, Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur and registered office of the Company is located at No. 5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.

The Company is principally engaged in investment holding, software research and development, provision of e-business solutions through the sale of application software and professional services for software customisation and implementation. The principal activities of the subsidiaries are as stated in Note 9 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 October 2025.

## 2. BASIS OF PREPARATION

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

The financial statements of the Company have been prepared under the historical cost basis except as otherwise disclosed in the accounting policies below.

### 2.1 Basis of measurement

The financial statements, which are presented in Ringgit Malaysia ("RM"), have been prepared under the historical cost except as disclosed in the accounting policies below.

### 2.2 Adoption of new and amended standards

The Group and the Company has adopted the following MFRS and Interpretations (collectively referred to as "MFRSs'), issued by the Malaysian Accounting Standards Board ("MASB") and effective for the financial periods beginning on or after 1 April 2024;

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 2. BASIS OF PREPARATION (CONT'D)

### 2.3 Standards issued but not yet effective

The Group and the Company has not adopted the following standards that have been issued as at the reporting date but are not yet effective:

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

- Amendments to MFRS 121: The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

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

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

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

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follow:-

*MFRS 18 Presentation and Disclosure in Financial Statements*

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

## Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial period presented in the financial statements of the Group and of the Company.

### 3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group:

- has power over the entity;
- is exposed, or has rights, to variable returns from its involvement with the entity; and
- has the ability to affect those returns through its power over the entity.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Subsidiaries are consolidated using the acquisition method as explained in Note 3.4 and consolidation of a subsidiary begins from the date the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

In preparing consolidated financial statements, intra-group balances and transactions and the resulting unrealised profits are eliminated on consolidation. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment. The consolidated financial statements reflect external transactions and balances only. When necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies. The total comprehensive income of a subsidiary is attributed to the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received by the Group is recognised directly in equity and attributed to owners of the Company. If the Group loses control of a subsidiary, the assets (including any goodwill) and liabilities of the subsidiary and non-controlling interests will be derecognised at their carrying amounts at the date when control is lost. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference between the amounts derecognised and the aggregate of the fair value of consideration received and investment retained is recognised as gain or loss in profit or loss attributable to the Group.

# Notes To The Financial Statements

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

### 3.1 Basis of consolidation (cont'd)

Acquisitions of businesses are accounted for using the acquisition method except for combinations of entities or businesses under common control. The consideration transferred for the acquisition of an acquiree is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, equity interests issued and contingent consideration given. Acquisition-related costs are recognised as an expense in the periods in which the costs are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values, except for non-current assets (or disposal group) that are classified as held for sale which shall be measured at fair value less costs to sell.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests and the acquisition-date fair value of any previously held equity interest over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. The excess of the Group's interest in the net amounts of the identifiable assets, liabilities and contingent liabilities over the aggregate of the consideration transferred, the amount of any non- controlling interests and the acquisition-date fair value of any previously held equity interest is recognised immediately in profit or loss.

Subsidiaries arising from common control combinations are consolidated using the principles of merger accounting. The common control combinations are business combinations in which all the combining entities have common ultimate controlling parties prior to and immediately after such combinations. Under the principles of merger accounting, the assets and liabilities of the combining entities are consolidated using the existing book values from the controlling parties' perspective and the results of each of the combining entity are presented as if the combination had been effected throughout the current and previous comparative periods presented.

On consolidation, the cost of investment is matched against the nominal value of ordinary shares acquired and any resulting credit difference (merger reserve) is classified under equity as a non distributable reserve and any resulting debit difference (merger deficit) is adjusted against suitable consolidated reserves.

Non-controlling interests represent that portion of profit or loss and net assets of a subsidiary not attributable, directly or indirectly, to the Group. For each business combination, non-controlling interests are measured either at their fair value at the acquisition date or at the non-controlling interests' proportionate share of the subsidiary's identifiable net assets. Non-controlling interests in the net assets of consolidated subsidiaries comprised the amount of non-controlling interests at the date of original combination and their share of changes in equity since the date of combination.

In a business combination achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

### 3.2 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated on the straight-line basis so as to write off the cost of the assets to their residual values over their estimated useful lives. The annual depreciation rates used are as follows :

| | |
|---|---|
| Computers and office equipment | 33 1/3% |
| Furniture and fittings | 33 1/3% |
| Renovations | 33 1/3% |

The residual values and useful lives of assets are reviewed at each financial period end and adjusted prospectively, if appropriate, where expectations differ from previous estimates. Property, plant and equipment are reviewed for impairment in accordance with the Group's accounting policy for impairment of assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

### 3.3 Intangible Assets

*3.3.1 Research costs and development expenditure*

Research costs are charged as an expense in the profit or loss in the year in which they are incurred. Costs incurred on development project are recognised as intangible assets when all the following criteria are fulfilled:

(i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
(ii) management intends to complete the intangible asset and use or sell it;
(iii) there is an ability to use or sell the intangible asset;
(iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
(v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
(vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

# Notes To The Financial Statements

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

### 3.3 Intangible Assets (Cont'd)

*3.3.1 Research costs and development expenditure (cont'd)*

Other development expenditure that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets.

Subsequent cost on capitalised product development expenditure are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other costs are expensed as incurred.

Development expenditure recognised as an asset is carried at cost net of any related government grants, accumulated amortisation and any accumulated impairment loss.

Development expenditure capitalised are tested for impairment annually, in accordance with the accounting policy on impairment of non-financial assets.

Capitalised development expenditure is amortised to the income statement on a straight line basis over their estimated useful lives ranging from 8 to 13 years.

*3.3.2 Computer software*

Computer software which is acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses, if any and is amortised over its estimated useful life of 8 years.

*3.3.3 Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

### 3.4 Investments in Subsidiaries and Associates

In the Company's separate financial statements, investments in subsidiaries and associates are stated at cost less any accumulated impairment losses. The investments are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets as set out in Note 3.7.2.

On disposal of such investments the difference between the net disposal proceeds and net carrying value of the investments is recognised as a gain or loss on disposal in the Company's profit or loss.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

### 3.5 Associates

An associate is an entity, including an unincorporated entity, in which the Group have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under the equity method, the investments in associates are initially recognised at cost and adjusted thereafter for the Group's share of the profit or loss and changes in the associates' other comprehensive income after the date of acquisition. Equity accounting is discontinued when the Group's share of losses of an associate equals or exceeds its interest in the associate. Once the Group's interest in such associate is reduced to zero, additional losses are provided for and a liability recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment.

On acquisition of an investment in an associate, any excess between the cost of the investment and the Group's share of net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

After the application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The Group determines at the end of each reporting date whether there is any objective evidence that the investments in associates are impaired. If such evidence exists, the Group determines the amount of impairment by comparing the investment's recoverable amount with its carrying amount (including goodwill) and the impairment loss is recognised to profit or loss as part of the Group's share of results of associates.

In applying the equity method of accounting, the latest audited financial statements of the associate are used. Where the reporting dates of the Group and the associate are not coterminous, equity accounting is applied on the management accounts made to the financial period end of the Group. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

When the Group reduces its equity interest in an associate but continues to apply the equity method, the Group reclassifies to profit or loss the proportion of gain or loss that had previously been recognised in other comprehensive income.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

### 3.5 Associates (Cont'd)

The Group discontinues the use of equity method from the date when its investment ceases to be an associate. If the Group retains interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date. The Group recognises in profit or loss the difference between (i) the fair value of any retained interest and any proceeds from disposing of a part interest in the associate; and (ii) the carrying amount of the investment at the date the equity method was discontinued.

### 3.6 Financial Assets

The Group and the Company recognise all financial assets in its statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instruments.

All regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting. A regular way purchase or sale is a purchase or sale of a financial asset that requires delivery of asset within the time frame established generally by regulation or convention in the marketplace concerned. Trade date accounting refers to:

- the recognition of an asset to be received and the liability to pay for it on the trade date i.e. the date the Group commits itself to purchase or sell an asset; and

- derecognition of an asset that is sold, the recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

*3.6.1 Classification*

The Group and the Company classify its financial assets into the following measurement categories depending on the business models used for managing the financial assets and the contractual cash flow characteristics of the financial assets:

- at amortised cost;

- fair value through other comprehensive income; and

- fair value through profit or loss.

Financial assets are reclassified when and only when the Group changes its business model for managing the financial assets and the reclassification of all affected financial assets is applied prospectively from the reclassification date i.e. on the first day of the first reporting period following the change in business model.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

### 3.6 Financial Assets (Cont'd)

*3.6.2 Measurement*

At initial recognition, trade receivables without a significant financing component are measured at their transaction price when they are originated.

Other financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

*(a) Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business models for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group's debt instruments are categorised into the following measurement categories:

(i) *Amortised cost*

A financial asset is measured at amortised cost if both of the following conditions are met and it is not designated as at fair value through profit or loss at initial recognition:

- 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 ("SPPI") on the principal amount outstanding.

These financial assets are measured at amortised cost using the effective interest method less any impairment losses. Interest income, gains or losses on derecognition, foreign exchange gains or losses and impairment are recognised in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

(ii) *Fair value through other comprehensive income ("FVOCI")*

A financial asset is measured at FVOCI if both of the following conditions are met and it is not designated as FVTPL at initial recognition:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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 ("SPPI") on the principal amount outstanding.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

### 3.6 Financial Assets (Cont'd)

*3.6.2 Measurement (Cont'd)*

*(a) Debt instruments (Cont'd)*

(ii) *Fair value through other comprehensive income ("FVOCI") (Cont'd)*

Changes in fair value of these financial assets are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income calculated using the effective interest method, foreign exchange gains or losses and impairment are recognised in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

(iii) *Fair value through profit or loss ("FVTPL")*

A financial asset is measured at FVTPL if it does not meet the criteria for amortised cost or FVOCI. This includes all derivative financial assets.

The Group and the Company may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL that otherwise meets the criteria for amortised cost or FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Changes in fair value of financial assets at FVTPL and interest or dividend income are recognised in profit or loss.

*(b) Equity instruments*

The Group subsequently measures all equity investments at fair value.

For equity investments at FVTPL, changes in fair value are recognised in profit or loss. Where the Group has elected to present the changes in fair value in other comprehensive income, the amounts presented are not subsequently transferred to profit or loss when the equity investments are derecognised. The cumulative gains or losses is transferred to retained profits instead. The election is made on an instrument-by-instrument basis and it is irrevocable. The amount presented in other comprehensive income includes the related foreign exchange gains or losses.

Dividend income from equity investments at FVTPL and FVOCI is recognised in profit or loss as other income when the Group's right to receive payment has been established.

Changes in the fair value of equity investments at FVTPL are recognised in other income or expenses, as applicable, in the profit or loss. Impairment losses or reversal of impairment losses on equity instruments measured at FVOCI are recognised in other comprehensive income and are not reported separately from other changes in fair value.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

### 3.6 Financial Assets (Cont'd)

*3.6.3 Derecognition of financial assets*

The Group derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset without retaining control or transfers substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

### 3.7 Impairment

*3.7.1 Financial assets*

The Group and the Company recognise loss allowance for expected credit losses ("ECLs") on:-

- financial assets measured at amortised cost;
- debt instruments measured at fair value through other comprehensive income ("FVOCI");
- contract assets;
- lease receivables; and
- financial guarantee contracts.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months i.e. a 12-month ECL. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default i.e. a lifetime ECL.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. For purpose of assessment of ECLs, the Group and the Company established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment or by estimating the expected cash flow to be recovered from individual receivables.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

### 3.7 Impairment (Cont'd)

*3.7.1 Financial assets (cont'd)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers 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 (including forward- looking information). The Group and the Company considered that the credit risk on a financial asset has increased significantly when contractual payments are more than 12 months past due.

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

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

*3.7.2 Non-financial assets*

The carrying amounts of non-financial assets (other than inventories, contract assets, lease receivables, deferred tax assets, assets arising from employee benefits, investment property that is measured at fair value and non-current assets or disposal groups held for sale) are reviewed for impairment at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. For goodwill recognised in a business combination and that has an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated annually or more frequently when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or a cash generating unit ("CGU") exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment losses recognised in respect of CGUs (or groups of CGUs) are allocated first to reduce the carrying amount of any goodwill arising from a business combination allocated to the units (or groups of units) and then to reduce the carrying amount of the other assets in the units (or groups of units) on a pro rata basis.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.7 Impairment (Cont'd)

*3.7.2 Non-financial assets (cont'd)*

The recoverable amount of an asset or CGU 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.

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

### 3.8 Goodwill

Goodwill arising on the acquisitions of subsidiaries is recognised as an asset and carried at cost as established at the acquisition date less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill from acquisition date is allocated to each of the Group's cash-generating unit ("CGU") or groups of CGUs that are expected to benefit from the synergies of the combination in which the goodwill arose. The test for impairment of goodwill on consolidation is in accordance with the Group's accounting policy for impairment of non-financial assets. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a CGU or groups of CGUs and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation and the portion of the CGU retained.

### 3.9 Government Grants

Asset-related government grants for the development of e-business solutions are deducted from the product development expenditure incurred to arrive at the cost of the e-business solutions.

Income-related government grants are recognised in the profit or loss over the periods necessary to match them with the costs they are intended to compensate.

All government grants are accounted for on an accrual basis when there is reasonable assurance that the Group has complied with all terms and conditions attached to them and that there is reasonable certainty that the grants will be received.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.10 Contract Costs

Contract costs are recognised as an asset when the following criteria are met :

(a) In relation to incremental costs of obtaining a contract, the Group and the Company recognise the costs as an asset if the Group and the Company expect to recover those costs.

(b) In relation to costs to fulfil a contract, the Group and the Company recognise the contract costs as an asset if (i) they relate directly to a contract or to an anticipated contract that the Group and the Company can specifically identify; (ii) when the costs generate or enhance resources of the Group and the Company that will be used in satisfying performance obligations in the future; and (iii) the costs are expected to be recovered.

These assets are initially measured at cost and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration expected to be received less the remaining costs expected to be incurred. A reversal of impairment loss is recognised in profit or loss when the impairment conditions no longer exist or have improved. The increased carrying amount does not exceed the amount that would have been determined (net of amortisation) if no impairment loss had been recognised previously.

### 3.11 Contract Assets and Contract Liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of consultancy contracts, contract asset is the excess of cumulative revenue earned over the billings to-date. Contract assets are reviewed for impairment in accordance with the Group's accounting policy on impairment as disclosed in Note 3.7.1.

Contract liability is the obligation to transfer goods or services to customers for which the Group and the Company have received the consideration or has billed the customer. In the case of consultancy contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include downpayments received from customers and other deferred income where the Group and the Company have billed or has collected the payment before the goods are delivered or services are provided to the customers.

### 3.12 Cash and Cash Equivalents

Cash and cash equivalents consist of cash and banks balances, deposits and short term investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value used by the Group and the Company in the management of its short term funding requirements, reduced by bank overdrafts. The statements of cash flows are prepared using the indirect method.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.13 Share Capital

Ordinary shares are classified as equity. Distributions to holders of ordinary shares are debited directly to equity and dividends declared on or before the end of the reporting period are recognised as liabilities. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in statement of changes in equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount are shown as movement in equity.

### 3.14 Financial Liabilities

The Group recognises all financial liabilities in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

*3.14.1 Classification and measurement*

Financial liabilities are initially measured at fair value minus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measures at amortised costs.

*(a) Fair value through profit or loss ("FVTPL")*

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL upon initial recognition or derivatives that are liabilities.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

# Notes To The Financial Statements

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.14 Financial Liabilities (Cont'd)

*3.14.1 Classification and measurement (Cont'd)*

*(a) Fair value through profit or loss ("FVTPL") (Cont'd)*

After initial recognition, financial liabilities at FVTPL are measured at fair value with any gains or losses arising from changes in fair value recognised in profit or loss. If a financial liability is designated as at FVTPL, the change in fair value that is attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining change in fair value of the liability is presented in profit or loss. The net gains or losses recognised in profit or loss do not include any exchange differences or interest paid on the financial liability. Exchange differences and interest expense on financial liabilities at FVTPL are recognised separately in profit or loss as part of other income or other expenses.

*(b) Amortised cost*

All financial liabilities, other than those categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

A gain or loss on other financial liabilities at amortised cost is recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

*3.14.2 Derecognition of financial liabilities*

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with the same lender on substantially different terms or the terms of an existing liability are substantially modified, they are accounted for as an extinguishment of the original financial liability and a new financial liability is recognised. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 3.15 Offsetting Financial Instruments

Financial assets and financial liabilities are offset when the Group has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 3.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.17 Financial Guarantee Contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are measured at the higher of (i) the amount determined in accordance with the expected credit loss model; and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

### 3.18 Employee Benefits

*3.18.1 Short term employee benefits*

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

*3.18.2 Defined contribution plans*

The Group make contributions to the defined contribution plans operated by the relevant authorities at the prescribed rate. Contributions to defined contribution plans are recognised as an expense in profit or loss as incurred.

*3.18.3 Share-based payment*

The Company operates an equity-settled share-based compensation plan for eligible employees of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in profit or loss over the vesting period of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted. The fair value of the share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.18 Employee Benefits (Cont'd)

*3.18.3 Share-based payment (Cont'd)*

At each reporting date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to the original estimates, if any, in profit or loss, and a corresponding adjustment to equity. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained profits.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

The grant by the Company of the share options to employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value is recognised over the vesting period as an increase to investments in subsidiaries with a corresponding credit to equity in the Company's financial statements.

### 3.19 Income Tax

Tax expense is the aggregate amount of current and deferred taxation. Current and deferred taxes are recognised as income or expense in profit or loss except to the extent that the taxes relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity or a business combination.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the end of the reporting period.

Deferred tax is provided for using the liability method on temporary differences at end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and the amounts attributed to those assets and liabilities for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unabsorbed tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except where the Group is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.19 Income Tax (Cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Tax rates enacted or substantively enacted at the end of the reporting period are used to determine deferred tax.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### 3.20 Provisions

Provisions are recognised when the Group has a present legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the amount of a provision due to passage of time is recognised as finance cost.

### 3.21 Foreign Currency

*3.21.1 Functional and presentation currency*

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

*3.21.2 Foreign currency transactions and balances*

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

# Notes To The Financial Statements

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.21 Foreign Currency (Cont'd)

*3.21.2 Foreign currency transactions and balances (Cont'd)*

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are recognised directly to other comprehensive income.

*3.21.3 Foreign operations*

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

(a) Assets and liabilities for each financial position date presented are translated at the closing rate prevailing at the end of the reporting period;

(b) Items of income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

(c) All resulting exchange differences are recognised in other comprehensive income and are accumulated in exchange translation reserve within equity.

Exchange differences arising from monetary items that form part of the Company's net investment in a foreign operation and that are denominated in the functional currency of the Company or the foreign operation are recognised in the profit or loss of the Company or of the foreign operation, as appropriate. In the Group financial statements, such exchange differences are recognised initially in other comprehensive income and accumulated in equity under exchange translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and taken to equity under exchange translation reserve will be reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

### 3.22 Revenue Recognition

The Group and the Company recognise revenue from a contract with customer when it satisfies a performance obligation by transferring control of a promised good or service to the customer. Performance obligations may be satisfied over time or at a point in time. Revenue is measured based on the consideration specified in the contract which the Group expects to be entitled in exchange for transferring the good or service, excluding the amounts collected on behalf of third parties.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.22 Revenue Recognition (Cont'd)

The Group recognises revenue from the following business activities:

*(a) Consultancy contracts*

Consultancy contracts comprise the provision of specific e-business solutions to customers which include the sales of hardware and software and services rendered for software customisation and implementation.

Revenue from consultancy contracts is recognised when (or as) it transfers control of a good or service to customer. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point-in-time or over time. The Group and the Company transfer control of goods or services at a point-in-time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.

- The Group's performance creates or enhances an assets that the customer controls as the asset is created or enhanced.

- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment completed to date.

Where any one of the above conditions is met, the Group recognises revenue over time. Otherwise, revenue is recognised at a point in time when control of goods or services are transferred upon delivery and acceptance by the customer.

If control of the goods and services transfer over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The Group recognises revenue over time using the input method, which is based on the level of proportion that the costs incurred for work performed to-date bear to the estimated total costs for the contract. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

*(b) Maintenance services*

Revenue from maintenance services rendered is recognised on a straight line basis over the life of the maintenance contract.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.23 Leases

The Group and the Company as lessee

At the inception of the contract, the Group and the Company assess if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group and the Company recognise a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprise the amount of initial measurement of lease liability, any lease payments made at or before the lease commencement date less any lease incentives received and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised and the costs are included in the related right-of-use assets.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and is adjusted for any remeasurement of the lease liability. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts on the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less lease incentives;
- variable lease payments based on an index or rate, initially measured using the index or rate as at commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease.

Variable lease payment (not based on an index or rate) is recognised as an expense in the period in which it is incurred.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.23 Leases (Cont'd)

**Remeasurement of lease liability**

The lease liability is remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") and which is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

### 3.24 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

### 3.25 Operating Segments

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

### 3.26 Earnings Per Share

The Group presents basic and diluted (where applicable) earnings per share ["EPS"] data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. No adjustment is made for anti-dilutive potential ordinary shares.

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION(CONT'D)

### 3.27 Fair Value Measurement

Fair value of an asset or a liability, except for share-based payment and leasing transactions, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring fair value, the Group maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Fair value measurements are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : Quoted prices (unadjusted) in active market for identical assets or liabilities;
Level 2 : 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); and
Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfer between levels of the fair value hierarchy is deemed to have occurred on the date of the event or change in circumstances that caused the transfer.

## 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the MFRSs requires management to exercise their judgement in the process of applying the Group's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 4.1 Significant Judgements in Applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, which are described in Note 3, the management are of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements.

# Notes To The Financial Statements

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

### 4.2 Key Sources of Estimation Uncertainty

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

*(a) Intangible assets*

The Group develops a significant amount of its own software and systems which is used for the provision of e-business solutions to customers. Development expenditure is capitalised as an intangible asset where the Group has determined that the asset is technically feasible, its ability to complete the development of the asset and that the asset will generate future economic benefits in line with the recognition criteria outlined in the Group's accounting policy disclosed in Note 3.3. Judgement is required to determine whether the development projects meet the recognition criteria and to allow for the capitalisation of costs. Costs capitalised during the financial period includes the costs of any external materials or services and labour costs directly attributable to development and an allocation of overheads. For purpose of annual amortisation of an intangible asset, the Group reviews the residual value and useful life of such asset at each reporting date. The Group also assesses annually whether the intangible assets have been impaired based on future cash flow projections, which depend significantly on the procurement of future projects and using an appropriate discount factor. The impairment assessment could be materially affected by the changes in the assumptions and estimates used in the cash flow projections. Changes in the residual value arising from the impairment assessment and the review of useful life could have significant impact on the results of the Group.

*(b) Deferred tax assets*

Deferred tax assets are recognised for unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses, capital allowances and other deductible temporary differences can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment on the probability of the availability of future taxable profits.

*(c) Impairment on investment in subsidiaries*

The Company assesses impairment of investments in subsidiaries when the events or changes in circumstances indicate that their carrying amounts may not be recoverable. The Company used discounted cash flows to determine the recoverable amount. Significant judgement is required in the estimation of the expected future cash flows and a suitable discount rate in order to calculate the present value of those cash flows.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

### 4.2 Key Sources of Estimation Uncertainty (Cont'd)

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

*(d) Impairment losses on contract assets and receivables including amount due from subsidiaries*

The Group and the Company make allowances for impairment losses on receivables and contract assets based on their assessment that involves making assumptions about the default risk and expected loss rate of the counterparty and the collaterals held, if any. Significant judgement is required in making these assumptions and in determining the inputs used for impairment calculation. Where the actual outcome is different from the estimates, the difference will impact the carrying value of the receivables. The expected loss rates for contract assets is calculated based on the historical impairment loss recognised for the respective customers over the past 3 financial year's billings.

*(e) Contracts revenue and costs recognition*

The Group and the Company recognised a substantial portion of its contract profits based on the stage of completion method. The stage of completion of a contract is measured by reference to the proportion of contract costs incurred for the work performed to date to the estimated total costs for the contract.

Significant judgement is required in determining the total contract costs which will be incurred to complete a contract, total contract revenue, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. Where the actual total contract costs is different from the estimated total contract costs, such difference will impact the contract profits or losses recognised. In making the judgement, the Group and the Company rely on past experience.

*(f) Lease liability*

The lease term has been determined based on the non-cancellable period of lease in term and conditions of the arrangements together with both:

- periods covered by an option to extend the lease; and
- periods covered by an option to terminate the lease.

In determining whether it is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such options when exercising its judgement in the assessment.

The lease terms and discount rates have been determined using appropriate assumptions as necessary including management's estimation of the application internal costs.

## Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 5. PROPERTY, PLANT AND EQUIPMENT

| Group | Renovations RM | Computer and office equipment RM | Furniture and fittings RM | Total RM |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2023 | 673,751 | 3,511,714 | 355,267 | 4,540,732 |
| Additions | - | 94,193 | - | 94,193 |
| Exchange differences | 29,860 | 163,792 | 13,445 | 207,097 |
| At 31 March 2024 and 1 April 2024 | 703,611 | 3,769,699 | 368,712 | 4,842,022 |
| Additions | - | 165,382 | - | 165,382 |
| Written off | - | (54,587) | - | (54,587) |
| Exchange differences | (42,173) | (242,661) | (26,574) | (311,408) |
| At 30 June 2025 | 661,438 | 3,637,833 | 342,138 | 4,641,409 |
| **Accumulated depreciation** | | | | |
| At 1 April 2023 | 591,509 | 3,126,750 | 355,267 | 4,073,526 |
| Charge for the financial year | 19,381 | 182,689 | - | 202,070 |
| Capitalised as development expenditure | - | 85,986 | - | 85,986 |
| Exchange differences | 26,721 | 148,011 | 13,445 | 188,177 |
| At 31 March 2024 and 1 April 2024 | 637,611 | 3,543,436 | 368,712 | 4,549,759 |
| Charge for the financial period | 20,855 | 210,035 | - | 230,890 |
| Capitalised as development expenditure | - | 8,332 | - | 8,332 |
| Written off | - | (53,674) | - | (53,674) |
| Exchange differences | (36,253) | (231,124) | (26,574) | (293,951) |
| At 30 June 2025 | 622,213 | 3,477,005 | 342,138 | 4,441,356 |
| **Net carrying amount** | | | | |
| At 30 June 2025 | 39,225 | 160,828 | - | 200,053 |
| At 31 March 2024 | 66,000 | 226,263 | - | 292,263 |
| Depreciation charge for the financial period/year: | | | | |
| **2025** | | | | |
| Recognised in Statement of Profit or Loss and Other Comprehensive | 20,855 | 210,035 | - | 230,890 |
| Capitalised as development expenditure | - | 8,332 | - | 8,332 |
| | 20,855 | 218,367 | - | 239,222 |
| **2024** | | | | |
| Recognised in Statement of Profit or Loss and Other Comprehensive | 19,381 | 182,689 | - | 202,070 |
| Capitalised as development expenditure | - | 85,986 | - | 85,986 |
| | 19,381 | 268,675 | - | 288,056 |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

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

| Company | Renovations RM | Computer and office equipment RM | Furniture and fittings RM | Total RM |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2023 | 107,745 | 382,781 | 62,128 | 552,654 |
| Additions | - | 8,698 | - | 8,698 |
| At 31 March 2024 and 1 April 2024 | 107,745 | 391,479 | 62,128 | 561,352 |
| Additions | - | 26,020 | - | 26,020 |
| At 30 June 2025 | 107,745 | 417,499 | 62,128 | 587,372 |
| **Accumulated depreciation** | | | | |
| At 1 April 2023 | 107,745 | 356,552 | 62,128 | 526,425 |
| Charge for the financial year | - | 18,734 | - | 18,734 |
| At 31 March 2024 and 1 April 2024 | 107,745 | 375,286 | 62,128 | 545,159 |
| Charge for the financial period | - | 16,810 | - | 16,810 |
| At 30 June 2025 | 107,745 | 392,096 | 62,128 | 561,969 |
| **Net carrying amount** | | | | |
| At 30 June 2025 | - | 25,403 | - | 25,403 |
| At 31 March 2024 | - | 16,193 | - | 16,193 |

## 6. RIGHT-OF-USE ASSETS

Leased office premises

| | Group RM | Company RM |
|---|---|---|
| **Cost** | | |
| At 1 April 2023 | 4,514,472 | 528,968 |
| Additions | 128,505 | - |
| Elimination on expiry of lease | (260,574) | - |
| Exchange differences | 226,312 | - |
| At 31 March 2024 and 1 April 2024 | 4,608,715 | 528,968 |
| Additions | 5,644,858 | 364,096 |
| Elimination on expiry of lease | (4,429,527) | (528,968) |
| Exchange differences | (269,233) | - |
| At 30 June 2025 | 5,554,813 | 364,096 |
| **Accumulated depreciation** | | |
| At 1 April 2023 | 2,266,676 | 146,935 |
| Charge for the financial year | 1,483,721 | 176,323 |
| Capitalised as development expenditure | 110,330 | - |
| Elimination on expiry of lease | (260,574) | - |
| Exchange differences | 146,985 | - |
| At 31 March 2024 and 1 April 2024 | 3,747,138 | 323,258 |
| Charge for the financial period | 1,632,310 | 215,824 |
| Elimination on expiry of lease | (4,429,741) | (528,968) |
| Exchange differences | (160,984) | - |
| At 30 June 2025 | 788,723 | 10,114 |
| **Carrying amount** | | |
| At 30 June 2025 | 4,766,090 | 353,982 |
| At 31 March 2024 | 861,577 | 205,710 |
| Depreciation charge for the financial period/year | | |
| **2025** | | |
| Recognised in Statement of Profit or Loss and Other Comprehensive Income | 1,632,310 | 215,824 |
| **2024** | | |
| Recognised in Statement of Profit or Loss and Other Comprehensive Income | 1,483,721 | 176,323 |
| Capitalised as development expenditure | 110,330 | - |
| | 1,594,051 | 176,323 |

(a) The right-of-use assets are depreciated on a straight-line basis over the following periods:

Leased office premises 2 to 3 years

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 6. RIGHT-OF-USE ASSETS (CONT'D)

(b) Total cash outflow for the leases during the financial period/year are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Lease payments | 1,687,931 | 1,804,536 | 237,489 | 189,991 |

## 7. GOODWILL

| | Group | |
|---|---|---|
| | 2025 RM | 2024 RM |
| At the beginning of financial period/year | 291,430 | 275,500 |
| Exchange differences | (17,259) | 15,930 |
| Impairment loss during the financial period | (274,171) | - |
| At the end financial period/year | - | 291,430 |

(a) Impairment assessment on goodwill

The goodwill arose from the acquisition of a subsidiary, EyRIS Pte. Ltd. ("Eyris") by a wholly owned subsidiary, novaHEALTH Pte. Ltd.

For the purpose of impairment assessment, goodwill has been allocated to the Group's cash-generating unit ("CGU") which is the subsidiary itself. For segment reporting purposes, Eyris has been allocated to E-Business Solutions segment.

For annual impairment assessment purposes, the recoverable amount of this CGU is based on value in use calculation based on discounted cash flow. It utilised cash flow forecast and projections covering a five-year period. The key assumptions for the computation of value in use include a discount rate of 10.6% for 2025 (2024: 8.4%).

## 8. INTANGIBLE ASSETS

| Group | Development expenditure RM | Computer software RM | Total RM |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2023 | 156,436,054 | 5,201,061 | 161,637,115 |
| Amount capitalised | 7,258,788 | - | 7,258,788 |
| Written off | (25,263) | - | (25,263) |
| Exchange differences | 9,065,655 | 279,586 | 9,345,241 |
| At 31 March 2024 and 1 April 2024 | 172,735,234 | 5,480,647 | 178,215,881 |
| Amount capitalised | 8,124,520 | - | 8,124,520 |
| Exchange differences | (10,387,492) | (304,577) | (10,692,069) |
| At 30 June 2025 | 170,472,262 | 5,176,070 | 175,648,332 |
| **Deduct: Government grant** | | | |
| At 1 April 2023 | 5,643,162 | - | 5,643,162 |
| Grant capitalised | 1,811,930 | - | 1,811,930 |
| Exchange differences | 326,307 | - | 326,307 |
| At 31 March 2024 and 1 April 2024 | 7,781,399 | - | 7,781,399 |
| Exchange differences | (460,834) | - | (460,834) |
| At 30 June 2025 | 7,320,565 | - | 7,320,565 |
| **Deduct: Accumulated amortisation** | | | |
| At 1 April 2023 | 106,481,886 | 5,078,961 | 111,560,847 |
| Amortisation | 7,066,143 | 15,162 | 7,081,305 |
| Exchange differences | 6,262,855 | 324,699 | 6,587,554 |
| At 31 March 2024 and 1 April 2024 | 119,810,884 | 5,418,822 | 125,229,706 |
| Amortisation | 8,844,360 | 17,503 | 8,861,863 |
| Exchange differences | (7,245,642) | (321,169) | (7,566,811) |
| At 30 June 2025 | 121,409,602 | 5,115,156 | 126,524,758 |
| **Deduct: Accumulated impairment losses** | | | |
| At 1 April 2023 | 8,798,295 | - | 8,798,295 |
| Exchange differences | 508,748 | - | 508,748 |
| At 31 March 2024 and 1 April 2024 | 9,307,043 | - | 9,307,043 |
| Charge for the financial period | 4,045,041 | - | 4,045,041 |
| Exchange differences | (609,505) | - | (609,505) |
| At 30 June 2025 | 12,742,579 | - | 12,742,579 |
| **Carrying amount** | | | |
| At 30 June 2025 | 28,999,516 | 60,914 | 29,060,430 |
| At 31 March 2024 | 35,835,908 | 61,825 | 35,897,733 |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 8. INTANGIBLE ASSETS (CONT'D)

| | Computer software RM | Total RM |
|---|---|---|
| **Company** | | |
| **Cost** | | |
| At 1 April 2023, 31 March 2024, 1 April 2024 and 30 June 2025 | 20,000 | 20,000 |
| **Deduct: Accumulated amortisation** | | |
| At 1 April 2023 | 14,791 | 14,791 |
| Amortisation | 2,500 | 2,500 |
| At 31 March 2024 and 1 April 2024 | 17,291 | 17,291 |
| Amortisation | 2,709 | 2,709 |
| At 30 June 2025 | 20,000 | 20,000 |
| **Carrying amount** | | |
| At 30 June 2025 | - | - |
| At 31 March 2024 | 2,709 | 2,709 |

(a) Development expenditure

Development expenditure are incurred for the development internally of application software. The Group considers each development project as a single cash generating unit ("CGU").

Impairment loss has been recognised to write down the carrying amount of a CGU to its estimated recoverable amount. The recoverable amount is based on the asset's value-in-use which has been calculated using cash flow projections prepared by management and discounted at a rate that reflects the risks specific to the CGU.

## 9. INVESTMENT IN SUBSIDIARIES

| | Company | |
|---|---|---|
| | 2025 RM | 2024 RM |
| Unquoted shares, at cost | 37,735,840 | 37,735,840 |
| Amount due from a subsidiary | 1,420,217 | 1,420,217 |
| Options granted to employees of subsidiaries | 3,744,226 | 3,744,226 |
| | 42,900,283 | 42,900,283 |
| Accumulated impairment losses | (31,557,926) | (13,927,682) |
| | 11,342,357 | 28,972,601 |

The amount due from a subsidiary company forms part of the Company's net investment in the subsidiary. The amount is unsecured, interest free and no repayment term is stipulated.

The movements in the accumulated impairment losses during the financial period/year are as follows:

| | Company | |
|---|---|---|
| | 2025 RM | 2024 RM |
| At beginning of financial period/year | 13,927,682 | 13,927,682 |
| Additional impairment | 17,630,244 | - |
| At end of financial period/year | 31,557,926 | 13,927,682 |

# Notes To The Financial Statements

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

The Company assesses on the recoverability of the investment in subsidiaries by applying significant estimates used to determine the recoverable amount using the method of fair value less costs of disposal of the subsidiaries. During the financial period, impairment loss of investments in subsidiaries amounting to RM17,630,244 (2024: nil) was recognised.

The principal activities of the subsidiaries, place of incorporation and the effective equity interest of the Group are as follows:

| Name of Company | Principal Activitiy | Place of Incorporation | Effective Equity Interest 2025 % | 2024 % |
|---|---|---|---|---|
| ***Held by the Company*** | | | | |
| novaHEALTH Pte. Ltd. | Provision of e-business solutions for healthcare industry | Republic of Singapore | 100 | 100 |
| novaCITYNETS Pte. Ltd. | Provision of e-business solutions for the building and construction, city, town council and telecommunications industries | Republic of Singapore | 100 | 100 |
| novaSOLUTIONS (Philippines), Inc. | Provision of information technology expertise and consultancy services | Philippines | 99.99 | 99.99 |
| Dex-Lab Pte. Ltd. | Development of other software and programming activities and manufacture and repair of service robots | Republic of Singapore | 60 | 60 |
| ***Subsidiaries held by novaCITYNETS Pte. Ltd.*** | | | | |
| novaCITYNETS International Pte. Ltd. | Provision of software consultancy and computer systems integration | Republic of Singapore | 100 | 100 |
| Fornax Pte. Ltd. | Development of software and applications | Republic of Singapore | 100 | 100 |
| ***Subsidiary held by novaHEALTH Pte. Ltd.*** | | | | |
| EyRIS Pte. Ltd | Manage research and experimental development on medical technologies | Republic of Singapore | 42 | 42 |

All subsidiaries are not audited by LTTH PLT.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

The Group considered that it controls Eyris even though it holds less than half of the voting rights of this subsidiary. This is because the Group is the largest shareholder with a 42% equity interest while the remaining shares are held by seven investors. Based on the terms of agreement under which the entity was established, the Group has current ability to direct the entity's activities that most significantly affect their returns. A 75% majority vote is required to change this agreement, which cannot be achieved without the group's consent as the group holds 42% of the voting rights.

(a) Non-controlling interest in subsidiary

The summarised financial information for subsidiary that has material non-controlling interests ("NCI") are set out below. The amounts in the summarised financial information are before inter-company eliminations.

(i) Summarised assets and liabilities

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | EyRIS (1) RM | Dex-Lab (2) RM | EyRIS (1) RM | Dex-Lab (2) RM |
| Non-current assets | 7,070,587 | 9,591,990 | 5,527,041 | 8,231,368 |
| Current assets | 946,671 | 2,475,651 | 668,097 | 4,988,198 |
| Total assets | 8,017,258 | 12,067,641 | 6,195,138 | 13,219,566 |
| Non-current liabilities | - | - | - | - |
| Current liabilities | (10,513,863) | (15,136,230) | (6,491,413) | (14,144,682) |
| Total liabilities | (10,513,863) | (15,136,230) | (6,491,413) | (14,144,682) |
| Net assets/(liabilities) | (2,496,605) | (3,068,589) | (296,275) | (925,116) |

(ii) Summarised profit or loss and other comprehensive income

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | EyRIS (1) RM | Dex-Lab (2) RM | EyRIS (1) RM | Dex-Lab (2) RM |
| Revenue | 3,819,166 | 4,174,723 | 1,446,434 | 5,827,309 |
| (Loss)/Profit for the financial period/year | (2,256,442) | (2,236,486) | (1,616,320) | 1,003,297 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive (loss)/income | (2,256,442) | (2,236,486) | (1,616,320) | 1,003,297 |
| Dividend paid to non-controlling interest | - | - | - | - |

## 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Non-controlling interest in subsidiary (cont'd)

(iii) Summarised cash flows

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | EyRIS (1) RM | Dex-Lab (2) RM | EyRIS (1) RM | Dex-Lab (2) RM |
| Net cash (outflow)/inflow from operating activities | (1,613,882) | 1,083,444 | (1,205,511) | (466,856) |
| Net cash outflow from investing activities | (2,423,564) | (3,670,481) | (1,546,879) | (1,420,057) |
| Net cash inflow from financing activities | 3,864,481 | 2,568,188 | 1,235,698 | 1,803,972 |
| Net (decrease)/increase in cash and cash equivalents | (172,965) | (18,849) | (1,516,692) | (82,941) |

(1) EyRis Pte. Ltd.
(2) Dex-Lab Pte. Ltd.

## 10. INVESTMENT IN ASSOCIATES

| | Group | |
|---|---|---|
| | 2025 RM | 2024 RM |
| Unquoted shares, at cost | 327,960 | 327,960 |
| Share of post-acquisition profits (net of dividends received) | 477,119 | 589,578 |
| Allowance for impairment losses | (282,090) | (282,090) |
| Exchange fluctuation reserve | 139,832 | 186,594 |
| | 662,821 | 822,042 |

**Reconciliation of Investment in Associates**

| | Group | |
|---|---|---|
| | 2025 RM | 2024 RM |
| At the beginning of financial period/year | 822,042 | 671,527 |
| Share of results | (112,459) | 109,556 |
| Foreign exchange difference | (46,762) | 40,959 |
| At the end of financial period/year | 662,821 | 822,042 |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 10. INVESTMENT IN ASSOCIATES (CONT'D)

| Name of Company | Principal Activitiy | Place of Incorporation | 2025 % | 2024 % |
|---|---|---|---|---|
| ***Associated companies held by novaHEALTH Pte. Ltd.*** | | | | |
| JPMCnova Sdn Bhd | Industry solution provider to medical and healthcare institutions and related areas | Brunei Darussalam | 49 | 49 |
| Nova Al Khaleej Technology Information LLC | Dormant | United Arab Emirates | 49 | 49 |
| Digital EG Sdn. Bhd. | Businesses of development and implementation of the electronic government services project and the provision of other related services for the electronic government services project | Malaysia | 40 | 40 |

All associated companies are not audited by LTTH PLT.

The summarised financial information of a material associate presented below represents the financial statements of the associate and not the Group's share of those amounts.

| | JMPCnova Sdn Bhd | |
|---|---|---|
| | 2025 RM | 2024 RM |
| **Assets and liabilities** | | |
| Non-current assets | - | - |
| Current assets | 4,335,557 | 2,002,956 |
| Total assets | 4,335,557 | 2,002,956 |
| Non-current liabilities | - | - |
| Current liabilities | 1,418,443 | 326,939 |
| Total liabilities | 1,418,443 | 326,939 |
| **Results** | | |
| Revenue | 3,726,528 | 3,195,818 |
| (Loss)/Profit after taxation/Total comprehensive (loss)/income | (229,510) | 223,582 |
| The reconciliation of net assets to carrying amount is as follows: | | |
| Group's share of net assets | 1,429,386 | 821,248 |
| Others Carrying amount of Group's interest in associates | (766,565) | 794 |
| | 662,821 | 822,042 |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 11. AMOUNT DUE FROM SUBSIDIARIES

| | Company | |
|---|---|---|
| | 2025 | 2024 |
| | RM | RM |
| Trade | 5,049,269 | 4,685,729 |
| Non-trade | 47,753,088 | 42,227,224 |
| | 52,802,357 | 46,912,953 |
| Allowance for impairment losses | (35,082,922) | (17,700,000) |
| | 17,719,435 | 29,212,953 |
| **Classified under:** | | |
| Non-current assets | 11,644,430 | 8,344,430 |
| Current assets (included under Trade and Other Receivables - Note 14) | 6,075,005 | 20,868,523 |
| | 17,719,435 | 29,212,953 |

The movements in the accumulated impairment losses during the financial period/year are as follows:

| | Company | |
|---|---|---|
| | 2025 | 2024 |
| | RM | RM |
| At beginning of financial period/year | 17,700,000 | 17,700,000 |
| Additional impairment | 17,382,922 | - |
| At end of financial period/year | 35,082,922 | 17,700,000 |

The Company assesses the recoverability of amounts due from subsidiaries by evaluating the financial position of the subsidiaries to determine whether any impairment is required. During the financial period, an impairment loss on amounts due from subsidiaries amounting to RM17,382,922 was recognised.

The amount due from subsidiaries are interest free and unsecured. Trade indebtedness is repayable based on the normal credit terms extended to customers while non - trade indebtedness is repayable on demand.

The amounts due from subsidiaries are denominated in Ringgit Malaysia and have been presented into current and non-current portions based on the expected timing of settlement of the debts.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 12. CONTRACT BALANCES

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| At beginning of financial period/year | (3,761,694) | 1,745,507 | (2,091,568) | (855,484) |
| Revenue recognised during the financial period/year | 38,799,126 | 25,771,282 | 5,758,079 | 2,740,649 |
| Progress billings during the financial period/year | (34,715,895) | (31,324,804) | (5,306,823) | (3,976,733) |
| Exchange differences | 358,917 | 46,321 | - | - |
| At the end of financial period/year | 680,454 | (3,761,694) | (1,640,312) | (2,091,568) |
| Analysed as: | | | | |
| Contract assets | 3,711,390 | 5,564,938 | - | 5,417 |
| Less: Allowances for impairment losses | (1,236,868) | (2,043,174) | - | - |
| | 2,474,522 | 3,521,764 | - | 5,417 |
| Contract liabilities | (1,794,068) | (7,283,458) | (1,640,312) | (2,096,985) |
| **Net** | 680,454 | (3,761,694) | (1,640,312) | (2,091,568) |

(a) Contract assets/(liabilities)

The contract assets primarily relate to the Group's and the Company's rights to consideration for goods delivered or service rendered to customers but not yet billed at end of reporting date. The contract assets are transferred to receivables when rights become unconditional. Contract liabilities primarily relate to the Group's and the Company's obligation to transfer goods or services to customer for which the consideration has been received or receivable from the customers.

(b) Unsatisfied performance obligation

The aggregate amounts of transaction prices allocated to remaining performance obligations of the Group and Company unsatisfied or partially unsatisfied, as at end of financial period amounted to approximately RM40.9m (2024: RM55.9m) and RM3.3m (2024: RM6.1m) respectively and are expected to be recognised over a period of five (5) years.

## 12. CONTRACT BALANCES (CONT'D)

(c) The movements in allowance for impairment losses on contract assets during the financial period/year are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM | RM | RM | RM |
| At the beginning of financial period/year | 2,043,174 | 1,931,489 | - | - |
| Reversal of impairment losses | (697,221) | - | - | - |
| Exchange differences | (109,085) | 111,685 | - | - |
| At the end of financial period/year | 1,236,868 | 2,043,174 | - | - |

## 13. INVENTORIES

| | Group | |
|---|---|---|
| | | Restated |
| | 2025 | 2024 |
| | RM | RM |
| Finished goods | 728,990 | 1,452,872 |
| Inventories-in-transit | 336,831 | 261,567 |
| Raw material | 934,938 | 503,958 |
| | 2,000,759 | 2,218,397 |

## 14. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM | RM | RM | RM |
| **Trade receivables** | 4,506,523 | 8,868,302 | 1,234,063 | 970,049 |
| Less: Allowance for impairment losses | (820,741) | (5,261,848) | (500,108) | (500,108) |
| Trade receivables, net | 3,685,782 | 3,606,454 | 733,955 | 469,941 |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 14. TRADE AND OTHER RECEIVABLES (CONT'D)

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| **Other receivables** | | | | |
| Other receivables, deposits and prepayments | 4,040,153 | 6,831,804 | 66,745 | 65,451 |
| Less: Allowance for impairment losses | - | (631,584) | - | - |
| | 4,040,153 | 6,200,220 | 66,745 | 65,451 |
| | 7,725,935 | 9,806,674 | 800,700 | 535,392 |
| **Amount due from subsidiaries** | | | | |
| - Trade | - | - | 5,049,269 | 4,685,729 |
| - Non-trade | - | - | 36,108,658 | 33,882,794 |
| Less: Allowance for impairment losses | - | - | (35,082,922) | (17,700,000) |
| | - | - | 6,075,005 | 20,868,523 |
| **Total trade and other receivables** | 7,725,935 | 9,806,674 | 6,875,705 | 21,403,915 |

(a) Trade and other receivables

Trade receivables are non-interest bearing and credit periods given range from Nil to 90 (2024: Nil to 90) day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The currency profile of trade and other receivables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Ringgit Malaysia | 800,700 | 535,392 | 6,875,705 | 21,403,915 |
| United States Dollar | 501,518 | 424,817 | - | - |
| Singapore Dollar | 4,709,438 | 6,978,830 | - | - |
| Philippines Peso | 1,714,279 | 1,741,581 | - | - |
| Brunei Dollar | - | 126,054 | - | - |
| | 7,725,935 | 9,806,674 | 6,875,705 | 21,403,915 |

Further information on credit risk is disclosed in Note 33 (a).

The Group and the Company does not hold any collateral as security for the trade receivables as at the end of the reporting period.

During the financial period, the Group and the Company did not renegotiate the terms of any trade receivables.

## 14. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade and other receivables (Cont'd)

*Allowance for impairment losses*

Movements in allowance for impairment losses on trade receivables during the financial period/year are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **RM** | **RM** | **RM** | **RM** |
| At the beginning of financial period/year | 5,261,848 | 11,833,600 | 500,108 | 1,053,267 |
| Allowance written off | (3,586,523) | (6,351,332) | - | - |
| Additional impairment losses | 222,974 | - | - | - |
| Reversal of impairment | (622,389) | (622,290) | - | (553,159) |
| Exchange differences | (455,169) | 401,870 | - | - |
| At the end of financial period/year | 820,741 | 5,261,848 | 500,108 | 500,108 |

Movements in allowance for impairment losses on other receivables during the financial period/year are as follows

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **RM** | **RM** | **RM** | **RM** |
| At the beginning of financial period/year | 631,584 | 587,441 | - | - |
| Allowance written off | (604,512) | - | - | - |
| Exchange differences | (27,072) | 44,143 | - | - |
| At the end of financial period/year | - | 631,584 | - | - |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 15. CASH AND CASH EQUIVALENTS

| | Company | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Cash in hand and at banks | 23,417,950 | 4,364,704 | 21,550,802 | 1,190,600 |

The currency profile of cash and cash equivalents is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Ringgit Malaysia | 21,550,802 | 1,190,600 | 21,550,802 | 1,190,600 |
| Philippines Peso | 161,640 | 160,504 | - | - |
| Singapore Dollar | 582,326 | 2,665,601 | - | - |
| United States Dollar | 1,123,182 | 347,999 | - | - |
| | 23,417,950 | 4,364,704 | 21,550,802 | 1,190,600 |

## 16. SHARE CAPITAL

| | Group and Company | | | |
|---|---|---|---|---|
| | 2025 Number of shares | 2024 Number of shares | 2025 RM | 2024 RM |
| **Issued and fully paid (no par value):** | | | | |
| Ordinary shares | | | | |
| At the end of financial period/year | 2,153,238,738 | 1,197,791,550 | 145,690,528 | 106,130,797 |
| Irredeemable Convertible Preference Shares | - | 958,999,776 | - | 9,589,998 |
| At the end of financial period/year | 2,153,238,738 | 2,156,791,326 | 145,690,528 | 115,720,795 |

## 16. SHARE CAPITAL (CONT'D)

(a) Details and movements in issued and fully paid ordinary shares with no par value

| | Group and Company | | | |
|---|---|---|---|---|
| | 2025 Number of shares | 2024 Number of shares | 2025 RM | 2024 RM |
| At beginning of financial period/year | 1,197,791,550 | 1,186,155,750 | 106,130,797 | 105,665,365 |
| Issuance of ordinary shares pursuant to: | | | | |
| - Conversion of irredeemable convertible preference shares | 940,647,188 | 11,635,800 | 37,625,891 | 465,432 |
| - Exercise of employee's stock option scheme | 14,800,000 | - | 1,933,840 | - |
| At the end of financial period/year | 2,153,238,738 | 1,197,791,550 | 145,690,528 | 106,130,797 |

During the financial period, the issued and paid-up ordinary share capital of the Company has been increased from RM106,130,797 to RM145,690,528 as follows:

(i) through the issue of 940,647,188 new ordinary shares from the conversion of Irredeemable Convertible Preference Shares ("ICPS") at a conversion price of RM0.04 per ordinary shares in the following manner:

a) the cancellation of 958,999,776 ICPS surrendered to the Company for conversion purpose; and

b) the receipt of RM28,035,893 in cash being the difference between the aggregate issue price of the ICPS surrendered and the aggregate conversion price of the new ordinary shares issued;

(ii) through the issue of 14,800,000 new ordinary shares for cash consideration pursuant to the exercise of the Company's share options granted to eligible directors and employees of the group.

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

(b) Details and movements in Irredeemable Convertible Preference Shares ("ICPS")

| | Group and Company | | | |
|---|---|---|---|---|
| | 2025 Number of shares | 2024 Number of shares | 2025 RM | 2024 RM |
| At beginning of financial period/year | 958,999,776 | 970,635,576 | 9,589,998 | 9,706,356 |
| - Conversion of ICPS to ordinary shares | (958,999,776) | (11,635,800) | (9,589,998) | (116,358) |
| At the end of financial period/year | - | 958,999,776 | - | 9,589,998 |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 16. SHARE CAPITAL (CONT'D)

(b) Details and movements in Irredeemable Convertible Preference Shares ("ICPS") (cont'd)

During the financial period, the ICPS capital was reduced by RM9,589,998 to nil following the surrender and cancellation of ICPS in exchange for ordinary shares, as detailed above.

The ICPS were listed on the ACE Market of Bursa Malaysia Securities Berhad on 26 March 2020.

The salient terms of the ICPS are as follows:

i. The ICPS have a tenure of 5 years and shall mature on the day immediately preceding the 5thanniversary of their issue date.

ii. The Company has full discretion over the declaration of dividends on ICPS which shall be non-cumulative and payable in arrears.

iii. The ICPS may be converted into new ordinary shares of the Company at the conversion price of RM0.04 for each new ordinary share in the following manner:

a) by surrendering for cancellation the ICPS with an aggregate issue price of the ICPS equivalent to the conversion price, subject to a minimum of 1 ICPS and up to a maximum of 4 ICPS for every 1 new ordinary share; and

b) by paying the difference between the aggregate issue price of the ICPS surrendered and the conversion price, if any, in cash for every 1 new ordinary share.

iv. The ICPS are not redeemable for cash and any remaining ICPS that are not converted by the maturity date shall be automatically converted into new ordinary shares at the conversion ratio of 4 ICPS for 1 new ordinary share.

v. The ICPS rank equally amongst themselves and may rank in priority to, or equally with other preference shares that may be created in the future. The ICPS rank in priority to the ordinary shares of the Company but shall rank behind all the Company's secured and unsecured obligations. The new ordinary shares to be issued arising from the conversion of the ICPS shall rank pari passu in all respects with the then existing ordinary shares of the Company.

vi. The holders of ICPS have the same rights as ordinary shareholders of the Company as regards to receiving notices, reports and audited financial statements and attending general meetings but are however not entitled to any voting rights or participation in any rights, allotments and/or other distribution in the Company except in the following circumstances:

a) when the dividend or part of the dividends declared on ICPS is in arrears for more than 6 months;

b) on a proposal to reduce the Company's share capital;

## 16. SHARE CAPITAL (CONT'D)

(b) Details and movements in Irredeemable Convertible Preference Shares ("ICPS") (cont'd)

The salient terms of the ICPS are as follows: (cont'd)

vi. The holders of ICPS have the same rights as ordinary shareholders of the Company as regards to receiving notices, reports and audited financial statements and attending general meetings but are however not entitled to any voting rights or participation in any rights, allotments and/or other distribution in the Company except in the following circumstances:

c) on a proposal for sanctioning the sale of the whole or substantial portion of the Company's property, business and/or undertaking;

d) on a proposal that affects the rights and privileges attached to the ICPS; and

e) on a proposal in respect of the winding-up, liquidation, compromise and/or arrangement of the Company and during the winding-up, liquidation, compromise and/or arrangement of the Company.

## 17. EMPLOYEES' SHARE OPTION SCHEME/SHARE OPTION RESERVE

The Company implemented an Employees' Share Option Scheme ("ESOS Scheme") on 18 November 2015 for a period of ten (10) years which will expire on 17 November 2025.

The salient features of the ESOS Scheme are as follows:

(i) The total number of new ordinary shares that may be made available under the ESOS shall not exceed thirty per cent (30%) of the issued and paid-up capital of the Company.

(ii) Eligible employees are Directors and confirmed employees of the Group (save and except for companies which are dormant) who meet the criteria of eligibility for participation as set out in the By- Laws, at the date of the offer.

(iii) The option is personal to the grantee and is non-assignable.

(iv) An option may, at the discretion of the ESOS Committee, be determined based on a discount of not more than 10% from the 5-day weighted average market price of the underlying shares as shown in the Daily Official List issued by Bursa Malaysia for the 5 market days immediately preceding the Dateof Offer in writing to the grantee.

(v) An option may be exercised by notice in writing to the Company in the prescribed form from time to time during the option period in respect of all or any part of the new shares comprised in the option, provided that where an option is exercised in respect of a part of the new shares comprised therein, the number of new shares of which such an option may be exercised shall not be less than one hundred (100) and shall be in multiples of one hundred (100).

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 17. EMPLOYEES' SHARE OPTION SCHEME/SHARE OPTION RESERVE (CONT'D)

The details of options over the ordinary shares of the Company under the ESOS Scheme are as follows

| | | No. of options over ordinary shares in the Company | | | | |
|---|---|---|---|---|---|---|
| | Exercise price* RM/share | As at 01.04.2024 | Granted | Exercise | Forfeited | As at 30.06.2025 |
| **2025** | | | | | | |
| Grant date | | | | | | |
| 02.06.2016 | 0.0728 | 3,500,000 | - | (3,500,000) | - | - |
| 02.05.2018 | 0.0656 | 16,000,000 | - | (10,500,000) | - | 5,500,000 |
| 30.08.2018 | 0.1238 | 3,450,000 | - | (800,000) | (350,000) | 2,300,000 |
| | | 22,950,000 | - | (14,800,000) | (350,000) | 7,800,000 |

| | | No. of options over ordinary shares in the Company | | | | |
|---|---|---|---|---|---|---|
| | Exercise price* RM/share | As at 01.04.2023 | Granted | Exercise | Forfeited | As at 31.03.2024 |
| **2024** | | | | | | |
| Grant date | | | | | | |
| 02.06.2016 | 0.0728 | 3,500,000 | - | - | - | 3,500,000 |
| 02.05.2018 | 0.0656 | 16,000,000 | - | - | - | 16,000,000 |
| 30.08.2018 | 0.1238 | 4,300,000 | - | - | (850,000) | 3,450,000 |
| | | 23,800,000 | - | - | (850,000) | 22,950,000 |

The movements in share option reserve during the financial period/year are as follows:

| | Group and Company | |
|---|---|---|
| | 2025 RM | 2024 RM |
| At beginning of financial period/year | 1,480,650 | 1,570,750 |
| Transferred to share capital upon exercise of share option | (891,200) | - |
| Share options forfeited | (37,100) | (90,100) |
| At end of financial period/year | 552,350 | 1,480,650 |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 18. LEASE LIABILITIES

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Non-current | 3,838,283 | 33,070 | 172,414 | 33,070 |
| Current | 1,145,930 | 916,091 | 178,628 | 183,949 |
| | 4,984,213 | 949,161 | 351,042 | 217,019 |

The movements in lease obligations (fixed lease payments) during the financial period/year are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| At beginning of financial period/year | 949,161 | 2,451,624 | 217,019 | 391,667 |
| Additions | 5,645,072 | 128,505 | 364,096 | - |
| Lease payments | (1,687,931) | (1,804,536) | (237,489) | (189,991) |
| Finance cost | 193,294 | 85,517 | 7,416 | 15,343 |
| Exchange differences | (115,383) | 88,051 | - | - |
| At end of financial period/year | 4,984,213 | 949,161 | 351,042 | 217,019 |

## 19. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | Restated 2024 RM | 2025 RM | 2024 RM |
| Trade payables | 1,881,379 | 2,813,209 | 145,932 | 115,936 |
| Other payables and accrued expenses | 3,907,702 | 6,530,054 | 386,634 | 320,024 |
| Deferred income | 474,819 | 136,843 | - | - |
| Liability for short term accumulating compensated absences | 242,114 | 166,151 | 96,391 | 81,835 |
| Amount due to non-controlling interest | 1,155,350 | 1,228,080 | - | - |
| Amount due to subsidiaries | - | - | 17,029 | 2,053,981 |
| Amount due to directors | 159,750 | 200,000 | 159,750 | 200,000 |
| | 7,821,114 | 11,074,337 | 805,736 | 2,771,776 |

The normal credit terms of trade payables granted to the Group and the Company range from 0 to 60 (2024: 0 to 60) days.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 19. TRADE AND OTHER PAYABLES (CONT'D)

*Deferred income*
Cash grants received from the government in relation to the business development, IRAS CIT cash rebate, job growth incentive and Market Readiness Assistance Grant are recognised as income upon receipt.

The currency exposure profile of trade and other payables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **RM** | **RM** | **RM** | **RM** |
| Ringgit Malaysia | 788,707 | 717,795 | 805,736 | 2,771,776 |
| British Pound | - | 11,077 | - | - |
| Philippines Peso | 122,050 | 138,986 | - | - |
| Singapore Dollar | 6,006,527 | 9,832,336 | - | - |
| United States Dollar | 892,108 | 362,041 | - | - |
| Euro | 11,722 | 12,102 | - | - |
| | 7,821,114 | 11,074,337 | 805,736 | 2,771,776 |

The amounts due to affiliated corporations, subsidiaries and Directors are interest free, unsecured and repayable on demand.

An affiliated corporation is defined as a company or its related corporation in which a Director of the Company has a substantial financial interest.

## 20. BANK BORROWINGS

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **RM** | **RM** |
| Non-current | 3,215,719 | - |
| Current | 3,510,069 | 8,070,240 |
| | 6,725,788 | 8,070,240 |

Bank borrowings of the Group as at end of financial period comprised bank borrowings which are subject to interests charged ranging from 4.09% to 7.95% (2024: 4.09% to 7.95%) per annum and are secured as follows:

a) Corporate guarantee from the Company;

b) Notified assignment of certain consultancy contract; and

c) Fixed and floating charge over the assets of a subsidiary.

The borrowings as at end of current financial period and previous financial year were dominated in Singapore Dollar.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 21. REVENUE

| | Group | | Company | |
|---|---|---|---|---|
| | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM |
| Consultancy contracts | 20,947,477 | 8,811,227 | 3,446,068 | 957,132 |
| Maintenance services | 20,719,328 | 18,406,490 | 2,312,011 | 1,783,517 |
| Robotics solutions | 4,067,946 | 5,827,309 | - | - |
| | 45,734,751 | 33,045,026 | 5,758,079 | 2,740,649 |
| Timing of revenue recognition | | | | |
| - at a point of time | 7,931,442 | 8,329,890 | - | - |
| - over time | 37,803,309 | 24,715,136 | 5,758,079 | 2,740,649 |
| | 45,734,751 | 33,045,026 | 5,758,079 | 2,740,649 |

## 22. EMPLOYEE BENEFITS EXPENSES

| | Group | | Company | |
|---|---|---|---|---|
| | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM |
| Wages, salaries and bonus | 28,145,444 | 24,537,459 | 2,996,147 | 2,435,084 |
| Contributions to defined contribution plans | 3,048,371 | 6,183,529 | 339,806 | 266,277 |
| Other benefits | 539,355 | 224,896 | 121,343 | 55,005 |
| | 31,733,170 | 30,945,884 | 3,457,296 | 2,756,366 |

Included in employee benefits expenses of the Group is executive directors' remuneration amounting to RM3,604,381 (2024: RM2,797,310) as further disclosed in Note 24.

Employee benefits expenses are taken up as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Charge to profit or loss | 25,084,559 | 24,573,086 | 3,457,296 | 2,756,366 |
| Capitalised as development expenditure | 6,648,611 | 6,372,798 | - | - |
| | 31,733,170 | 30,945,884 | 3,457,296 | 2,756,366 |

# Notes To The Financial Statements

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 23. FINANCE COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM |
| Interest on bank borrowings | 664,752 | 680,199 | - | - |
| Interest on lease liabilities | 193,294 | 85,517 | 7,416 | 15,343 |
| Interest expense on loan from shareholders | 88,111 | - | - | - |
| | 946,157 | 765,716 | 7,416 | 15,343 |

## 24. DIRECTORS' REMUNERATION

| | Group | | Company | |
|---|---|---|---|---|
| | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM |
| Executive Directors' remuneration: | | | | |
| *Directors of Holding Company* | | | | |
| - Salaries, allowances and others benefit | 2,489,113 | 1,989,973 | 375,000 | 300,000 |
| - Contribution to a defined contribution plan | 128,060 | 102,257 | 45,000 | 36,000 |
| *Directors of Subsidiary Companies* | | | | |
| - Salaries, allowances and others benefit | 926,918 | 660,845 | - | - |
| - Contribution to a defined contribution plan | 60,290 | 44,235 | - | - |
| | 3,604,381 | 2,797,310 | 420,000 | 336,000 |
| Non-Executive Directors' fees | | | | |
| - Current financial period/year | 200,000 | 200,000 | 200,000 | 200,000 |
| Total directors' remuneration | 3,804,381 | 2,997,310 | 620,000 | 536,000 |

## Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 25. LOSS BEFORE TAXATION

| | Group | | Company | |
|---|---|---|---|---|
| | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM |
| *Loss before tax derived after charging:* | | | | |
| Auditors' remuneration | | | | |
| - current financial period/year | 453,782 | 279,793 | 200,000 | 75,000 |
| - under provision in prior financial year | 18,780 | - | - | - |
| - other services | 10,000 | - | 10,000 | - |
| Amortisation of intangible assets | 8,861,863 | 7,081,305 | 2,709 | 2,500 |
| Depreciation of property, plant and equipment | 230,890 | 202,070 | 16,810 | 18,734 |
| Depreciation of ROU assets | 1,632,310 | 1,483,721 | 215,824 | 176,323 |
| Grant income | (420,317) | (818,560) | - | - |
| Intangible assets written off | - | 25,263 | - | - |
| Net increase/(decrease) in impairment losses for: | | | | |
| - amount due from subsidiaries | - | - | 17,382,922 | - |
| - contract assets | (697,221) | - | - | - |
| - goodwill | 274,171 | - | - | - |
| - intangible assets | 4,045,041 | - | - | - |
| - investment in subsidiaries | - | - | 17,630,244 | - |
| - trade receivables | (399,415) | (622,290) | - | (553,159) |
| Interest income | (56) | (52) | - | - |
| Property, plant and equipment written off | 913 | - | - | - |
| Realised (gain)/loss on foreign exchange | (238,886) | 70,652 | - | - |
| Unrealised loss/(gain) on foreign exchange | 3,727,271 | (2,429,076) | - | - |

## 26. TAXATION

| | Group | | Company | |
|---|---|---|---|---|
| | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM |
| *Tax expense* | | | | |
| Under provision in prior financial year | - | 10,929 | - | - |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 26. TAXATION (CONT'D)

A reconciliation of tax applicable to the loss before taxation at the statutory tax rates to current year's tax expense of the Group and the Company is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM | 01.04.2024 to 30.06.2025 RM | 01.04.2023 to 31.03.2024 RM |
| Loss before taxation | (12,072,832) | (6,822,993) | (35,138,739) | (1,196,466) |
| Tax at the rate of 24% (2024: 24%) | (2,897,480) | (1,637,518) | (8,433,297) | (287,152) |
| Tax effect of: | | | | |
| Different tax rate in foreign jurisdictions | 762,049 | 344,123 | - | - |
| Utilisation of deferred tax assets not recognised previously | (1,056,052) | (447,791) | (9,190) | - |
| Non-deductible expenses | 2,111,801 | 1,387,889 | 8,442,487 | 70,197 |
| Income not subject to tax | (1,486,368) | (1,562,591) | - | - |
| Deferred tax benefits not recognised | 2,566,050 | 1,915,888 | - | 216,955 |
| Under provision of taxation in prior financial year | - | 10,929 | - | - |
| | - | 10,929 | - | - |

Deferred tax assets have not been recognised in respect of the following temporary differences (stated at gross amounts) due to the uncertainty of their realisation in the foreseeable future:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Property, plant and equipment | (420,876) | (5,348,410) | (28,894) | (26,320) |
| Unabsorbed tax losses | 135,252,280 | 131,334,315 | 9,331,564 | 9,386,667 |
| Unutilised capital allowances | 1,383,218 | 1,292,707 | 105,854 | 86,470 |
| | 136,214,622 | 127,278,612 | 9,408,524 | 9,446,817 |

Subject to the agreement of the tax authorities and compliance with tax regulations in the respective countries in which companies of the Group operates, the estimated unutilised capital allowances and unabsorbed tax losses available for set off against future taxable profits and their expiry dates are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Unutilised capital allowance | | | | |
| - unlimited | 1,383,218 | 1,292,707 | 105,854 | 65,857 |
| Unabsorbed tax | | | | |
| - 3 to 10 years | 9,331,564 | 9,601,463 | 9,331,564 | 9,386,667 |
| - unlimited | 125,920,716 | 121,732,852 | - | - |
| | 136,635,498 | 132,627,022 | 9,437,418 | 9,452,524 |

## 27. LOSS PER ORDINARY SHARE

**Basic loss per ordinary share**

The calculation of basic loss per ordinary share is based on the net loss attributable to shareholders of the Company and the weighted average number of ordinary shares in issue during the financial period/year.

| | Group | |
|---|---|---|
| | **2025 RM** | **2024 RM** |
| Loss attributable to the owner of the Company | (9,869,503) | (6,297,771) |
| Weighted average number of ordinary shares in issue | 1,540,630,768 | 1,190,572,336 |
| Basic loss per share (sen) | (0.6406) | (0.5290) |

**Diluted loss per ordinary share**

Diluted loss per share are based on the loss for the financial period/year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period/year plus weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

| | Group | |
|---|---|---|
| | **2025 RM** | **2024 RM** |
| Loss attributable to the owner of the Company | (9,869,503) | (6,297,771) |
| Weighted average number of ordinary shares for basic loss per share | 1,540,630,768 | 1,190,572,336 |
| Effect of dilution from: | | |
| - Share options | 7,800,000 | 263,940,381 |
| Weighted average number of ordinary shares for basic loss per share | 1,548,430,768 | 1,454,512,717 |
| Diluted loss per ordinary share (sen) | (0.6374) | (0.4330) |

## 28. NOTE TO STATEMENTS OF CASH FLOW

(a) Development expenditure capitalised during the financial period/year

| | Group | |
|---|---|---|
| | **2025 RM** | **2024 RM** |
| Payment for development expenditure | 8,116,188 | 5,250,542 |
| Grant capitalised | - | 1,811,930 |
| Depreciation of property, plant and equipment capitalised | 8,332 | 85,986 |
| Amortisation of right-of-use assets capitalised | - | 110,330 |
| Total amount capitalised during the financial period/year | 8,124,520 | 7,258,788 |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 28. NOTE TO STATEMENTS OF CASH FLOW (CONT'D)

(b) Liabilities arising from financing activities

Changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes, during the financial period/year are analysed in the table below:

| Group | Borrowings RM | Lease liabilities RM | Total RM |
|---|---|---|---|
| **2025** | | | |
| At 1 April 2024 | 8,070,240 | 949,161 | 9,019,401 |
| Net cash flows | (866,513) | (1,494,637) | (2,361,150) |
| Additional lease arrangement | - | 5,554,813 | 5,554,813 |
| Exchange differences | (477,939) | (25,124) | (503,063) |
| At 30 June 2025 | 6,725,788 | 4,984,213 | 11,710,001 |
| **2024** | | | |
| At 1 April 2023 | 7,629,100 | 2,451,624 | 10,080,724 |
| Net cash flows | - | (1,719,019) | (1,719,019) |
| Additional lease arrangement | - | 128,505 | 128,505 |
| Exchange differences | 441,140 | 88,051 | 529,191 |
| At 31 March 2024 | 8,070,240 | 949,161 | 9,019,401 |
| **Company** | | | |
| **2025** | | | |
| At 1 April 2024 | - | 217,019 | 217,019 |
| Net cash flows | - | (230,073) | (230,073) |
| Additional lease arrangement | - | 364,096 | 364,096 |
| At 30 June 2025 | - | 351,042 | 351,042 |
| **2024** | | | |
| At 1 April 2023 | - | 391,667 | 391,667 |
| Net cash flows | - | (174,648) | (174,648) |
| At 31 March 2024 | - | 217,019 | 217,019 |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 29. OPERATING SEGMENTS

The Group is primarily involved in software development, provision of e-business solutions and software related consultancy services which based on the Group's management and internal reporting structure are collectively considered as one business segment ("E-Business Solutions"). The secondary format by geographical location is based on the locations where Group's management function is exercised.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and for development expenditure.

| | E-Business Solutions | | | |
|---|---|---|---|---|
| | **Malaysia** | **Singapore** | **Eliminations** | **Total** |
| **2025** | **RM** | **RM** | **RM** | **RM** |
| **Geographic segments** | | | | |
| Revenue from external customers | 4,770,341 | 40,964,410 | - | 45,734,751 |
| Revenue from inter-segment | 987,738 | 3,992,363 | (4,980,101) | - |
| **Total revenue** | 5,758,079 | 44,956,773 | (4,980,101) | 45,734,751 |
| **Segment results** | (1,105,895) | (9,908,377) | - | (11,014,272) |
| Interest income | | | | 56 |
| Interest expense | | | | (946,157) |
| Share of results of associates | | | | (112,459) |
| Loss before taxation | | | | (12,072,832) |
| Taxation | | | | - |
| Loss after taxation | | | | (12,072,832) |
| Segment assets | 51,792,679 | 46,914,852 | (29,061,792) | 69,645,739 |
| Tax recoverable | 72,478 | - | - | 72,478 |
| Investment in associates | - | 662,821 | - | 662,821 |
| **Total assets** | 51,865,157 | 47,577,673 | (29,061,792) | 70,381,038 |
| **Segment liabilities** | 2,797,090 | 36,228,093 | (17,700,000) | 21,325,183 |
| **Other segment items** | | | | |
| Capital expenditure | 26,020 | 8,289,902 | - | 8,315,922 |
| Depreciation and amortisation | 235,343 | 10,489,720 | - | 10,725,063 |
| Net impairment gain for financial assets and contract assets | - | (1,096,636) | - | (1,096,636) |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 29. OPERATING SEGMENTS (CONT'D)

| 2024 | E-Business Solutions Malaysia RM | Singapore RM | Eliminations RM | Total RM |
|---|---|---|---|---|
| **Geographic segments** | | | | |
| Revenue from external customers | 2,819,602 | 30,225,424 | - | 33,045,026 |
| Revenue from inter-segment | (78,953) | 5,284,030 | (5,205,077) | - |
| **Total revenue** | 2,740,649 | 35,509,454 | (5,205,077) | 33,045,026 |
| **Segment results** | (1,462,738) | (4,704,147) | - | (6,166,885) |
| Interest income | | | | 52 |
| Interest expense | | | | (765,716) |
| Share of results of associates | | | | 109,556 |
| Loss before taxation | | | | (6,822,993) |
| Taxation | | | | (10,929) |
| Loss after taxation | | | | (6,833,922) |
| Segment assets | 60,141,575 | 24,017,397 | (26,904,430) | 57,254,542 |
| Tax recoverable | 72,478 | - | - | 72,478 |
| Investment in associates | - | 822,042 | - | 822,042 |
| **Total assets** | 60,214,053 | 24,839,439 | (26,904,430) | 58,149,062 |
| **Segment liabilities** | 5,085,780 | 39,991,416 | (17,700,000) | 27,377,196 |
| **Other segment items** | | | | |
| Capital expenditure | 8,698 | 7,344,283 | - | 7,352,981 |
| Depreciation and amortisation | 197,557 | 8,569,539 | - | 8,767,096 |
| Net impairment gain for financial assets and contract assets | (553,159) | (69,131) | - | (622,290) |

### Geographical information

| | Non-current assets RM | Revenue RM |
|---|---|---|
| **2025** | | |
| Malaysia | 379,385 | 4,770,341 |
| Singapore | 34,310,009 | 40,964,410 |
| | 34,689,394 | 45,734,751 |
| **2024** | | |
| Malaysia | 224,612 | 2,819,602 |
| Singapore | 37,940,433 | 30,225,424 |
| | 38,165,045 | 33,045,026 |

# Notes To The Financial Statements

For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 29. OPERATING SEGMENTS (CONT'D)

**Major customers**

The following major customers contributed to more than 10 percent of the Group's revenue for the financial period/year:

| | | Revenue | |
|---|---|---|---|
| | | **2025** | **2024** |
| | **Segment** | **RM** | **RM** |
| Customer A | Singapore | 6,583,209 | 4,893,747 |
| Customer B | Singapore | 4,946,153 | 5,072,550 |
| Customer C | Singapore | 4,727,238 | - |

## 30. FINANCIAL GUARANTEE

| | Company | |
|---|---|---|
| | **2025** | **2024** |
| | **RM** | **RM** |
| Guarantees given by the Company to financial institutions for credit facilities granted to subsidiaries | | |
| - Limit | 6,725,788 | 8,070,240 |
| - Utilised | 6,725,788 | 8,070,240 |

The maturity profile of the financial guarantee contract as at the end of the reporting period based on undiscounted contractual payments are as follows:

| | Carrying amount RM | Contractual cash flows RM | On demand or within 1 year RM | 1 to 5 years RM |
|---|---|---|---|---|
| **Company** | | | | |
| **2025** | | | | |
| Financial guarantee | - | 7,352,265 | 3,510,069 | 3,842,196 |
| **2024** | | | | |
| Financial guarantee | - | 8,699,719 | 8,699,719 | - |

## 31. RELATED PARTY TRANSACTION AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party or when both parties are under the common control of another party.

Related party relationships exist between the Group and the Company with the following entities:

(i) The subsidiaries as disclosed in Note 9;

(ii) The associates as disclosed in Note 10;

(iii) The Directors

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 31. RELATED PARTY TRANSACTION AND BALANCES (CONT'D)

(a) Related party transactions

Significant related party transactions during the period/year other than those disclosed elsewhere in the financial statements are as follows

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Income | | | | |
| novaHEALTH Pte. Ltd. | | | | |
| - Sales | - | - | - | (78,953) |
| JPMCnova Sdn Bhd | | | | |
| - Sales | 3,298,923 | 1,803,112 | - | - |
| - Other income | 30,897 | 31,321 | - | - |
| Expenses | | | | |
| novaCITYNETS Pte. Ltd. | | | | |
| - Administative fees | - | - | 387,385 | 271,545 |

(b) Related party balances

Balances at period/year end included in the statements of financial position are as follows

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Receivables | | | | |
| Amount due from subsidiaries | | | | |
| novaHEALTH Pte. Ltd. (Trade) | - | - | 5,049,269 | 4,685,729 |
| novaHEALTH Pte. Ltd. (Non-trade) | - | - | 12,654,773 | 9,005,587 |
| novaCITYNETS Pte. Ltd. (Non-trade) | - | - | - | 34,707,921 |
| novaSOLUTIONS (PH) Inc. (Non-trade) | - | - | 15,393 | 15,393 |
| | - | - | 17,719,435 | 48,414,630 |

## 31. RELATED PARTY TRANSACTION AND BALANCES (CONT'D)

(b) Related party balances (cont'd)

Balances at period/year end included in the statements of financial position are as follows: (cont'd)

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Payables | | | | |
| Amount due to subsidiaries | | | | |
| Dex-Lab Pte. Ltd (Non-trade) | - | - | (17,029) | (13,967) |
| novaCITYNETS Pte. Ltd. (Trade) | - | - | - | (2,040,014) |
| Amount due to directors | (159,750) | (200,000) | (159,750) | (200,000) |
| | (159,750) | (200,000) | (176,779) | (2,253,981) |

Balances due from and to subsidiaries are disclosed in Notes 9 and 11, respectively.

The amount due from subsidiaries, amount due from an associate are interest free and unsecured. Trade indebtedness is repayable based on the normal credit terms extended to customers while non - trade indebtedness is repayable on demand.

The amount due to subsidiaries and amount due to Directors are unsecured, interest free and repayable on demand.

No expense has been recognised during the financial period/year in respect of bad or doubtful debt due from the related parties other than the impairment loss recognised from amount due from subsidiaries as disclosed in Note 11.

(c) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly which include any director and Group Chief Executive Officer.

The remuneration paid during the financial period/year to key management personnel, comprising of directors only is disclosed in Note 24.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 32. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Group include deposits, cash and bank balances and trade and other receivables. Financial liabilities of the Group include trade and other payables, borrowings and lease liabilities.

In respect of the Company, financial assets also include amount due from subsidiaries while financial liability include amount due to subsidiaries.

(a) Categories of financial instruments

The Group's and the Company's financial instruments are categorised as follows:

| | Carrying amount RM | Amortised cost RM |
|---|---|---|
| **2025** | | |
| **Financial assets** | | |
| **Group** | | |
| Trade and other receivables | 7,725,935 | 7,725,935 |
| Cash and bank balances | 23,417,950 | 23,417,950 |
| | 31,143,885 | 31,143,885 |
| **Company** | | |
| Amount due from subsidiaries | 6,075,005 | 6,075,005 |
| Trade and other receivables | 800,700 | 800,700 |
| Cash and bank balances | 21,550,802 | 21,550,802 |
| | 28,426,507 | 28,426,507 |
| **Financial liabilities** | | |
| **Group** | | |
| Trade and other payables | 7,821,114 | 7,821,114 |
| Bank borrowings | 6,725,788 | 6,725,788 |
| Lease liabilities | 4,984,213 | 4,984,213 |
| | 19,531,115 | 19,531,115 |
| **Company** | | |
| Trade and other payables | 805,736 | 805,736 |
| Lease liabilities | 351,042 | 351,042 |
| | 1,156,778 | 1,156,778 |
| **2024** | | |
| **Financial assets** | | |
| **Group** | | |
| Trade and other receivables | 9,806,674 | 9,806,674 |
| Cash and bank balances | 4,364,704 | 4,364,704 |
| | 14,171,378 | 14,171,378 |

## 32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

The Group's and the Company's financial instruments are categorised as follows: (cont'd)

| | Carrying amount RM | Amortised cost RM |
|---|---|---|
| **2024** | | |
| **Financial assets** | | |
| **Company** | | |
| Amount due from subsidiaries | 20,868,523 | 20,868,523 |
| Trade and other receivables | 535,392 | 535,392 |
| Cash and bank balances | 1,190,600 | 1,190,600 |
| | 22,594,515 | 22,594,515 |
| **Financial liabilities** | | |
| **Group** | | |
| Trade and other payables | 11,074,337 | 11,074,337 |
| Bank borrowings | 8,070,240 | 8,070,240 |
| Lease liabilities | 949,161 | 949,161 |
| | 20,093,738 | 20,093,738 |
| **Company** | | |
| Trade and other payables | 2,771,776 | 2,771,776 |
| Lease liabilities | 217,019 | 217,019 |
| | 2,988,795 | 2,988,795 |

(b) Fair value of financial instruments

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reflective of fair value.

The carrying amount of the following classes of financial instruments approximate their fair values:

| | Note |
|---|---|
| Trade and other receivables | 14 |
| Amount due from subsidiaries | 11 |
| Fixed deposits, cash and bank balances | 15 |
| Trade and other payables | 19 |
| Amount due to subsidiaries | 19 |
| Bank borrowings | 20 |
| Lease liabilities | 18 |

The carrying amount of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 33. FINANCIAL RISK MANAGEMENT POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Group's and the Company's overall financial risk management objective is to seek to address and control the risks to which the Group and the Company are exposed and to minimise or avoid the incidence of loss that may result from the exposure to such risks and to enhance returns where appropriate.

The Board is primarily responsible for the management of these risks and to formulate policies and procedures for the management thereof. The risks are managed by regular risk reviews, internal control systems, on-going formulation and adherence to financial risk policies and mitigated by insurance coverage where appropriate.

(a) Credit risk

Credit risk is the risk of financial loss attributable to default on obligations by parties contracting with the Group and the Company. The Group's and the Company's main exposure to credit risk is in respect of its trade receivables, bank deposits and cash and bank balances. The Company's exposure to credit risk includes amount due from subsidiary companies and financial guarantees given to banks for credit facilities of subsidiaries as disclosed in Note 30.

Credit risk is addressed by the application of credit evaluation and close monitoring procedures by the management.

It is inherent in the Group's and the Company's business to make individually large sales to its customers that may lead to a significant concentration of credit risks. Such risks are managed by ensuring that transactions are only carried out with customers with reliable financial profile.

New customers are subject to a credit evaluation process and existing customers' risk profiles are reviewed regularly with a view to setting appropriate terms of trade and credit limits. Where appropriate, further sales are suspended and legal action taken to ensure recoveries and mitigate losses.

Exposure to credit risk

The Group's and the Company's maximum exposure to credit risk as at 30 June 2025 is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

In the case of the Company, its exposure includes the corporation guarantee extended to financial institutions for credit facilities granted to subsidiaries as disclosed in Note 30.

## 33. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit risk (cont'd)

Credit risk concentration profile

At 30 June 2025, the Group had 2 customer (2024: 1 customers) who owed more than RM500,000 each and which accounted for approximately 40% (2024: 21%) of the Group's trade receivables.

The analysis of the trade indebtednesses by country of such receivables is as follows:

| | Group | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | RM | % of total | RM | % of total |
| Malaysia | 733,955 | 19.9% | 469,941 | 13.0% |
| Singapore | 2,244,929 | 60.9% | 2,590,906 | 71.8% |
| Brunei | 198,885 | 5.4% | 120,790 | 3.4% |
| Indonesia | 294,699 | 8.0% | 184,159 | 5.1% |
| Others | 213,314 | 5.8% | 240,658 | 6.7% |
| | 3,685,782 | 100.0% | 3,606,454 | 100.0% |

| | Company | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | RM | % of total | RM | % of total |
| Malaysia | 733,955 | 100% | 469,941 | 100% |

Recognition and measurement of impairment loss

(i) Trade receivables and contract assets

The Group and the Company apply the MFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses of trade receivables, individual receivables are assessed for impairment separately by estimating the expected cash flow to be recovered. The expected loss rates for contract assets is calculated based on the historical impairment loss recognised for the relevant customers over the past 3 financial year's billings.

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

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 33. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit risk (cont'd)

Recognition and measurement of impairment loss (cont'd)

(i) Trade receivables and contract assets (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets of the Group and of the Company as at 30 June 2025 and 31 March 2024:

| | Gross carrying amount RM | Loss allowance RM | Net balance RM |
|---|---|---|---|
| **2025** | | | |
| **Group** | | | |
| Current (not past due) | 2,065,141 | - | 2,065,141 |
| 1 - 90 days past due | 1,577,255 | - | 1,577,255 |
| 91 - 180 days past due | 36,761 | - | 36,761 |
| 181 - 360 days past due | 6,625 | - | 6,625 |
| | 3,685,782 | - | 3,685,782 |
| Credit impaired | 820,741 | (820,741) | - |
| | 4,506,523 | (820,741) | 3,685,782 |
| | | | |
| Trade receivables | 4,506,523 | (820,741) | 3,685,782 |
| Contract assets | 3,711,390 | (1,236,868) | 2,474,522 |
| | 8,217,913 | (2,057,609) | 6,160,304 |
| | | | |
| **Company** | | | |
| Current (not past due) | 317,932 | - | 317,932 |
| 1 - 90 days past due | 393,846 | - | 393,846 |
| 91 - 180 days past due | 15,552 | - | 15,552 |
| 181 - 360 days past due | 6,625 | - | 6,625 |
| | 733,955 | - | 733,955 |
| Credit impaired | 500,108 | (500,108) | - |
| | 1,234,063 | (500,108) | 733,955 |
| | | | |
| Trade receivables | 1,234,063 | (500,108) | 733,955 |

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 33. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit risk (cont'd)

Recognition and measurement of impairment loss (cont'd)

(i) Trade receivables and contract assets (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets of the Group and of the Company as at 30 June 2025 and 31 March 2024:

| | Gross carrying amount RM | Loss allowance RM | Net balance RM |
|---|---|---|---|
| **2024** | | | |
| **Group** | | | |
| Current (not past due) | 2,147,061 | - | 2,147,061 |
| 1 - 90 days past due | 1,394,463 | - | 1,394,463 |
| 91 - 180 days past due | 58,305 | - | 58,305 |
| 181 - 360 days past due | 6,625 | - | 6,625 |
| | 3,606,454 | - | 3,606,454 |
| Credit impaired | 5,261,848 | (5,261,848) | - |
| | 8,868,302 | (5,261,848) | 3,606,454 |
| Trade receivables | 8,868,302 | (5,261,848) | 3,606,454 |
| Contract assets | 5,564,938 | (2,043,174) | 3,521,764 |
| | 14,433,240 | (7,305,022) | 7,128,218 |
| **Company** | | | |
| Current (not past due) | 273,983 | - | 273,983 |
| 1 - 90 days past due | 137,639 | - | 137,639 |
| 91 - 180 days past due | 51,694 | - | 51,694 |
| 181 - 360 days past due | 6,625 | - | 6,625 |
| | 469,941 | - | 469,941 |
| Credit impaired | 500,108 | (500,108) | - |
| | 970,049 | (500,108) | 469,941 |
| Trade receivables | 970,049 | (500,108) | 469,941 |
| Contract assets | 5,417 | - | 5,417 |
| | 975,466 | (500,108) | 475,358 |

(ii) Other receivables

Impairment of other receivables is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of impairment is based on whether has been a significant increase in credit risk since initial recognition of the financial assets.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 33. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit risk (cont'd)

Recognition and measurement of impairment loss (cont'd)

(ii) Other receivables (cont'd)

For those in which the credit risk has not increase significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which the credit risk has increase significantly, lifetime expected credit losses along with the gross interest income are recognised.

The impairment for other receivables of the Group as at 30 June 2025 and 31 March 2024 as disclosed in Note 14 (a) has been assessed and impaired individually.

(iii) Amount due from subsidiaries

The Company determines the probability of default for these amounts due from subsidiaries individually using internal information. The Company's exposure to credit risk and loss allowance on amount due from subsidiaries are disclosed in Note 11. Other than those already impaired, no loss allowance has been recognised on the remaining amount due from subsidiaries as the Company considers them as low credit risk.

(iv) Fixed deposits, cash and bank balances

Deposit, cash and bank balances are neither past due nor impaired and they are placed with reputable licensed financial institutions with low credit risks. No loss allowance has been provided for as the Group consider that such loss, if any, will be immaterial.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's operations are financed through a mixture of internally generated funds and borrowings. The Group's and the Company's exposure to interest rate risk relates to interest bearing financial assets and liabilities. Interest bearing financial assets includes fixed deposits with licensed banks which are based on fixed rates and the Group's and the Company's interest bearing financial liabilities comprise trade financing facilities which are based on floating rates.

Sensitivity analysis for interest rate risk

No sensitivity analysis is prepared as the Group and Company does not expect any material effect on the Group's or the Company's profit or loss arising from the effect of reasonably possible changes to interest rates on interest bearing financial instruments at the reporting date.

## 33. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Foreign currency risk

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

The Group and the Company are exposed to foreign currency risks in respect of their investments in foreign subsidiaries and foreign receivables. The currencies primarily giving rise to this exposure is United States Dollar ("USD"). During and at the end of the financial period/year, the Group and the Company had not entered into any forward currency contracts. However, management will keep this policy under review and will take necessary action to minimise the exposure of this risk.

The Group's and the Company's foreign currency exposure profiles of the following financial assets and liabilities as at 30 June 2025 have been disclosed under the respective notes:

| | Note |
|---|---|
| Trade and other receivables | 14 |
| Fixed deposits, cash and bank balances | 15 |
| Trade and other payables | 19 |
| Bank borrowings | 20 |
| Lease liabilities | 18 |

Sensitivity analysis for foreign currency risk

Below is an analysis of the sensitivity of the Group's loss for the year to a 5 percent strengthening or weakening of the foreign currencies against the various functional currencies at the end of the reporting period of entities within the Group. This analysis assumes that all other variables, in particular interest rates, remain constant.

| | Changes in rate % | Effect on profit for the financial period/year RM | Effect on equity RM |
|---|---|---|---|
| **Group** | | | |
| **30 June 2025** | | | |
| - USD | + 5% | 27,838 | 27,838 |
| | - 5% | (27,838) | (27,838) |
| **31 March 2024** | | | |
| - USD | + 5% | 15,609 | 15,609 |
| | - 5% | (15,609) | (15,609) |

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 33. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(d) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows:

| | Carrying amount RM | Contractual cash flows RM | On demand or within 1 year RM | 1 to 5 years RM |
|---|---|---|---|---|
| **Group** | | | | |
| **Financial liabilities** | | | | |
| **2025** | | | | |
| Trade and other payables | 7,821,114 | 7,821,114 | 7,821,114 | - |
| Bank borrowings | 6,725,788 | 7,352,265 | 3,510,069 | 3,842,196 |
| Lease liabilities | 4,984,213 | 5,551,522 | 1,331,453 | 4,220,069 |
| | 19,531,115 | 20,724,901 | 12,662,636 | 8,062,265 |
| **2024** | | | | |
| Trade and other payables | 11,074,337 | 11,074,337 | 11,074,337 | - |
| Bank borrowings | 8,070,240 | 8,699,719 | 8,699,719 | - |
| Lease liabilities | 949,161 | 1,013,778 | 980,639 | 33,139 |
| | 20,093,738 | 20,787,834 | 20,754,695 | 33,139 |
| **Company** | | | | |
| **Financial liabilities** | | | | |
| **2025** | | | | |
| Trade and other payables | 805,736 | 805,736 | 805,736 | - |
| Lease liabilities | 351,042 | 364,143 | 189,991 | 174,152 |
| | 1,156,778 | 1,169,879 | 995,727 | 174,152 |
| **2024** | | | | |
| Trade and other payables | 2,771,776 | 2,771,776 | 2,771,776 | - |
| Lease liabilities | 217,019 | 223,130 | 189,991 | 33,139 |
| | 2,988,795 | 2,994,906 | 2,961,767 | 33,139 |

## 34. CAPITAL MANAGEMENT

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

In order to maintain the optimal capital structure, the Group may, from time to time, adjust or vary the dividend payouts to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

# Notes To The Financial Statements
For the financial period from 1 April 2024 to 30 June 2025 (Continued)

## 34. CAPITAL MANAGEMENT (CONT'D)

For capital management purposes, the Group considers shareholders' equity and borrowings to be the key components in the Group capital structure. The Group monitors capital on the basis of gearing ratio. The ratio is calculated as the total borrowings to total equity. The Group's strategy is to maintain a gearing ratio of below 50%. There were no changes in the Group's approach to capital management during the financial period/year.

The debt-to-equity ratio as at 30 June 2025 and 31 March 2024 were as follows:

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **RM** | **RM** |
| Bank borrowings | 6,725,788 | 8,070,240 |
| Lease liabilities | 4,984,213 | 949,161 |
| Total debts | 11,710,001 | 9,019,401 |
| Total equity | 49,055,855 | 30,771,866 |
| Debt-to-equity ratio | 0.24 | 0.29 |

## 35. SUBSEQUENT EVENTS

(a) On 20 September 2025, Eyris Pte Ltd, a subsidiary of the Group, increased in paid up capital from SGD2,178,033 to SGD2,559,227 by an allotment of 6,000 ordinary shares for cash consideration of SGD381,194.

(b) On 29 September 2025, the Group incorporated a new subsidiary, Dex-Lab (Australia) Pty Ltd, in Australia, with a paid up capital of AUD10,000 to focus on the development and marketing of robotics and artificial intelligence related product and services.

## 36. COMPARATIVE FIGURES

The Company has changed its financial year end from 31 March to 30 June. The current financial statements cover the 15-month period from 1 April 2024 to 30 June 2025. The comparative period covers the 12-month period from 1 April 2023 to 31 March 2024.

# ANALYSIS OF SHAREHOLDINGS
## AS AT 01 OCTOBER 2025

| | |
|---|---|
| Total Number of Issued Shares | : 2,153,238,738 Ordinary Shares |
| Issued and fully paid-up capital | : RM144,347,331.83 |
| Class of Shares | : Ordinary Shares |
| Voting Rights | : One vote per Ordinary Share held |

### BREAKDOWN OF SHAREHOLDINGS

| Holdings | No. of Shareholders | Total of Ordinary Shares | % |
|---|---|---|---|
| Less than 100 shares | 174 | 4,677 | 0.00 |
| 100 to 1,000 shares | 635 | 350,983 | 0.02 |
| 1,001 to 10,000 shares | 2,110 | 13,276,949 | 0.62 |
| 10,001 to 100,000 shares | 2,714 | 114,842,710 | 5.33 |
| 100,001 to less than 5% of issued shares | 1,271 | 1,509,096,754 | 70.08 |
| 5% and above of issued shares | 1 | 515,666,665 | 23.95 |
| **Total** | **6,905** | **2,153,238,738** | **100.00** |

### SUBSTANTIAL SHAREHOLDERS

| Name | Direct Shareholdings | % | Indirect Shareholdings | % |
|---|---|---|---|---|
| Loh Guan Huat Sunny | 515,666,665 | 23.95 | - | - |
| Ooi Keng Thye | 191,747,800 | 8.91 | - | - |
| YAM Tunku Nadzaruddin Ibni Almarhum Tuanku Ja'afar | 53,760,000 | 2.50 | 72,463,216* | 3.37 |

Notes:
* Deemed interested by virtue of his shareholding in Raden Corporation Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

### DIRECTORS' SHAREHOLDINGS

| Name | Direct Shareholdings | % | Indirect Shareholdings | % |
|---|---|---|---|---|
| Loh Guan Huat Sunny | 515,666,665 | 23.95 | - | - |
| Peter Wayne Thompson | - | - | - | - |
| Lai Teik Kin | 64,999,883 | 3.02 | - | - |
| Nazerollnizam Bin Kasim | - | - | - | - |
| Lim Hak Min | - | - | - | - |
| Dato' Law Song Ting | - | - | - | - |
| David Choo Boon Leong | 950,000 | 0.04 | - | - |

# Analysis of Shareholdings
**As at 01 October 2025** (Continued)

**THIRTY (30) LARGEST SHAREHOLDERS**
**(without aggregating the securities from different securities accounts belonging to the same Depositor)**

| No. | Name | No. of Ordinary Shares | % |
|---|---|---|---|
| 1 | DB (Malaysia) Nominee (Asing) Sdn Bhd<br>Exempt An for Deutsche Bank AG Singapore | 515,666,665 | 23.95 |
| 2 | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ooi Keng Thye | 82,199,400 | 3.82 |
| 3 | Raden Corporation Sdn Bhd | 72,463,216 | 3.37 |
| 4 | Citigroup Nominees (Asing) Sdn Bhd<br>Exempt An for OCBC Securities Private Limited | 71,840,000 | 3.35 |
| 5 | Alliancegroup Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ooi Keng Thye | 69,067,900 | 3.21 |
| 6 | Lai Teik Kin | 64,999,883 | 3.02 |
| 7 | YAM Tunku Nadzaruddin Ibni Tuanku Ja'afar @ Tunku Nadzaruddi | 53,760,000 | 2.50 |
| 8 | Sim Mui Khee | 51,326,000 | 2.38 |
| 9 | Citigroup Nominees (Asing) Sdn Bhd<br>Macquarie Bank Limited | 36,500,000 | 1.70 |
| 10 | Li RongZhi | 30,000,000 | 1.39 |
| 11 | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Cheng Chew Giap | 30,000,000 | 1.39 |
| 12 | CGS International Nominees Malaysia (Tempatan) Sdn Bhd<br>Pledged Securities Account for Khoo Chai Pek | 26,868,500 | 1.25 |
| 13 | Alliancegroup Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Cheng Chew Giap | 23,296,800 | 1.08 |
| 14 | Affin Hwang Nominees (Asing) Sdn. Bhd<br>DBS Vickers Secs (S) Pte Ltd for Dionna Zhao | 15,000,000 | 0.70 |
| 15 | CGS International Nominees Malaysia (Tempatan) Sdn Bhd<br>Pledged Securities Account for Cheng Kok Siong | 12,883,332 | 0.60 |
| 16 | UOB Kay Hian Nominees (Asing) Sdn. Bhd<br>Exempt An for UOB Kay Hian Pte Ltd | 12,233,334 | 0.57 |
| 17 | SJ Sec Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ooi Keng Thye | 10,500,000 | 0.49 |
| 18 | Khor Hsia Joew | 10,017,000 | 0.47 |
| 19 | Maybank Nominees (Tempatan) Sdn Bhd<br>Maybank Private Wealth Management for Ahmad Khalil Bin Ali Abdul Hassan | 9,000,000 | 0.42 |
| 20 | Alliancegroup Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ong Tze Yee | 8,140,100 | 0.38 |
| 21 | HLIB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Jimmy Cheah Kheng Siew | 7,915,300 | 0.37 |
| 22 | Abu Bakar Hanfi Bin Abdul Mannan | 7,500,000 | 0.35 |
| 23 | Affin Hwang Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ooi Keng Thye | 7,331,100 | 0.34 |
| 24 | Public Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Tan Lik Ching | 7,254,300 | 0.34 |
| 25 | MooMoo Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Liau Chee Yong | 6,947,700 | 0.32 |
| 26 | Chng Kim Chye | 6,500,000 | 0.30 |
| 27 | Ooi Keng Thye | 6,427,500 | 0.30 |
| 28 | Tee Mee Kee | 6,426,200 | 0.30 |
| 29 | Maybank Nominees (Asing) Sdn Bhd<br>Maybank Securities Pte Ltd for Tan Chee Ping (Chen Zhiping) | 6,417,340 | 0.30 |
| 30 | Lee Kok Kiong | 6,340,000 | 0.29 |
| **TOTAL** | | **1,274,821,570** | **59.21** |

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Third Annual General Meeting ("23rd AGM") of the Company will be held at Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 03 December 2025 at 9:30 am or at any adjournment thereof to consider and if thought fit, to transact the following businesses, with or without modifications thereto:

**ORDINARY BUSINESS**

1. To lay the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of Directors and Auditors thereon. (Refer to Explanatory Note 1)

2. To re-elect the following Directors who retire pursuant to the Constitution of the Company and being eligible, have offered themselves for re-election:

| | | | |
|---|---|---|---|
| a. | Peter Wayne Thompson | (Clause 98) | Ordinary Resolution 1 |
| b. | Lim Hak Min | (Clause 98) | Ordinary Resolution 2 |

3. To approve the payment of Directors' fees of not exceeding RM200,000.00 for the financial year ending 30 June 2026 to be divided amongst the Directors in such manner as they may determine, with payment of the fees to be made monthly in arrears at the end of each month. Ordinary Resolution 3

4. To re-appoint Messrs. LTTH PLT as Auditors of the Company for the financial year ending 30 June 2026 and to authorise the Directors to fix their remuneration. Ordinary Resolution 4

**SPECIAL BUSINESS**

To consider and if thought fit, to pass the following Ordinary Resolutions:

5. **Approval for Allotment of shares or Grant of rights** Ordinary Resolution 5

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA2016"), ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and the approval(s) of the relevant regulatory authorities, where such approval(s) is required, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot and issue shares in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and to make or grant offers, agreements or options which would or might require shares to be allotted and issued, after the expiration of the approval hereof, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such additional shares to be allotted and issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being.

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

THAT pursuant to Section 85 of the CA2016 read together with Clause 47 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the CA2016.

AND THAT the Directors be and are hereby authorised to do all such acts and things (including executing such documents as may be required) in the said connection and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to give effect to the transactions contemplated and/or authorised by this resolution."

# Notice Of Annual General Meeting
(Continued)

6. **Retention of Independent Non-Executive Director** Ordinary Resolution 6

   "THAT contingent upon the passing of Ordinary Resolution 1, Peter Wayne Thompson shall continue to serve as an Independent Non-Executive Director of the Company notwithstanding that his tenure as an independent director has exceeded a cumulative term of 9 years."

7. **Retention of Independent Non-Executive Director** Ordinary Resolution 7

   "THAT contingent upon the passing of Ordinary Resolution 2, Lim Hak Min shall continue to serve as an Independent Non-Executive Director of the Company notwithstanding that his tenure as an independent director has exceeded a cumulative term of 9 years."

8. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

Tan Kean Wai (MAICSA 7056310)
(SSM PC No. 202008000801)
Company Secretary

Kuala Lumpur
31 October 2025

**Notes:**

1. Only members whose names appear in the Record of Depositors as at 26 November 2025 ("**General Meeting Record of Depositors**") shall be eligible to attend, participate, speak and vote at this Meeting as well as for appointment of any person as his proxy(ies) to exercise all or any of his rights to attend, participate, speak and vote at the Meeting on his stead.
2. Where a member of the Company is an exempt authorised nominee ("**EAN**") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
3. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
4. Where a member appoints more than 1 proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal, or the hand of its attorney duly authorised. An instrument appointing a proxy to vote at this Meeting shall be deemed to include the power to demand a poll on behalf of the appointer.
6. The instrument appointing a proxy or Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Share Registrar of the Company at ***Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia*** not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in such instrument proposes to vote. ***Faxed, photocopied, and electronically scanned copies of the duly executed Form of Proxy are not acceptable***.
7. Pursuant to Rule 8.31A of the ACE Market Listing Requirements, the resolution set out in this Notice will be put to vote by poll.

# Notice Of Annual General Meeting
(Continued)

**Explanatory Notes:**

1. **Item 1 of the Agenda**

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

2. **Item 2 of the Agenda**

   The resolutions, if approved, will authorise the continuity in office of the Directors. An annual assessment on the performance and effectiveness of the Directors (including the independence of Independent Non-Executive Directors for the financial year ended 30 June 2025 had been undertaken, and the results were satisfactory to the Board.

3. **Item 3 of the Agenda**

   Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors, and any benefits payable to the directors including compensation for loss of employment of a director or former director of a listed company and its subsidiaries, shall be approved at a general meeting.

   In this respect, the Board wishes to seek shareholders' approval for payment of Directors' fees of not exceeding RM200,000.00 for the financial year ending 30 June 2026 to be divided amongst the Directors in such manner as they may determine, with payment of the fees to be made monthly in arrears at the end of each month.

   In determining the estimated total amount of Directors' fees of the Company, the Board has considered various factors including the number of scheduled meetings for the Board and Board Committees of the Company as well as the number of Directors involved in these meetings based on the current number of Directors.

   In the event, the proposed amount is insufficient, e.g. due to enlarged Board size, approval will be sought at the next AGM for the shortfall.

4. **Item 4 of the Agenda**

   Messrs. LTTH PLT (LLP0020047-LCA & AF0071), being the Auditors of the Company for the financial year ended 30 June 2025, have expressed their willingness to continue in office.

5. **Item 5 of the Agenda**

   The resolution, if approved, will renew the existing general mandate given to the Directors of the Company at the preceding AGM held on 10 September 2024 to allot and issue ordinary shares of the Company from time to time, and expand the mandate to grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer, PROVIDED that the aggregate number of shares allotted and issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being ("Renewed General Mandate"). In computing the aforesaid 10% limit, shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, unless revoked or varied by a resolution of the Company, will expire at the conclusion of the annual general meeting held next after the approval was given; or at the expiry of the period within which the next annual general meeting is required by law to be held after the approval was given, whichever is the earlier.

   The Board of Directors is of the view that the Renewed General Mandate is in the best interest of the Company and its shareholders due to the rising risk from the uncertain global and domestic economic environment, coupled with weak Ringgit performance, and this measure could give access to additional fundraising flexibility for the Company to ensure its long-term sustainability and to meet its funding requirements such as funding current and/or future investment project(s), working capital, operational expenditure, repayment of bank borrowings and/or strategic opportunities involving equity deals and/or so forth which may require issuance of new shares, expeditiously and efficiently, during this challenging time. In addition, any delay arising from and cost involved in convening a general meeting to approve such issuance and allotment of new shares could be eliminated.

# Notice Of Annual General Meeting
(Continued)

By voting in favour of the Ordinary Resolution 5, the shareholders of the Company also have agreed to irrevocably waive their statutory pre-emptive rights pursuant to Section 85(1) of CA2016 read together with Clause 47 of the Company's Constitution, and allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the Renewed General Mandate.

As at the date of this Notice, no new shares in the Company were issued pursuant to the existing mandate which will lapse at the conclusion of the forthcoming AGM of the Company.

**6. Items 6 and 7 of the Agenda**

The resolutions, if approved, will authorise the continuity in office of Peter Wayne Thompson and Lim Hak Min as Independent Non-Executive Directors of the Company notwithstanding that their tenure as independent director have exceeded a cumulative term of 9 years from the date of their first appointment. The Board had undertaken the assessment on the abovementioned independent directors and the results were satisfactory to the Board.

In line with Practice 5.3 of the Malaysian Code of Corporate Governance 2021, the Board is seeking annual shareholders' approval through a two-tier voting process to retain Peter Wayne Thompson and Lim Hak Min as Independent Non-Executive Directors of the Company.

**7. Personal data privacy:**

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

# STATEMENT ACCOMPANYING NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING ("23RD AGM")

(Pursuant to Rule 8.29 of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad)

- **Details of individuals who are standing for election as Directors**

  No individual is seeking election as a Director at the forthcoming 23rd AGM of the Company.

- **Statement relating to general mandate for issue of securities**

  The details of the general mandate are set out in item 5 of the Explanatory Note of the Notice of 23rd AGM dated 31 October 2025.

**NOVA MSC BERHAD**
Registration No. 200201024235 (591898-H)
(Incorporated in Malaysia)

# PROXY FORM

| CDS Account No. | No. of shares held |
|---|---|
| | |

I/ We, ______________________________ *NRIC/Passport/Registration No. ______________________

of ____________________________________________________________________________

with email address ______________________________ Mobile phone no. ______________________

being a *member/ members of **NOVA MSC BERHAD**, hereby appoint ______________________________

| **Full Name** | ***NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **%** |
| Address: | | | |
| Email Address: | | | |
| Mobile Phone No.: | | | |

*and/or

| **Full Name** | ***NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **%** |
| Address: | | | |
| Email Address: | | | |
| Mobile Phone No.: | | | |

or failing him/ her, the Chairman of the Meeting as *my/ our proxy to attend and vote for *me/ us on *my/ our behalf at the Twenty-Third Annual General Meeting ("23rd AGM") of the Company to be held at Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 03 December 2025 at 9:30 am or at any adjournment thereof to consider and if thought fit, to transact the following businesses, with or without modifications thereto:

| **Ordinary Resolutions** | | **For** | **Against** |
|---|---|---|---|
| Resolution 1 | To re-elect Peter Wayne Thompson as Director of the Company | | |
| Resolution 2 | To re-elect Lim Hak Min as Director of the Company | | |
| Resolution 3 | To approve the payment of Directors' fees | | |
| Resolution 4 | To re-appoint Messrs. LTTH PLT as Auditors of the Company and authorise the Directors to fix their remuneration | | |
| Resolution 5 | Approval for Allotment of shares or Grant of rights | | |
| Resolution 6 | Retention of Peter Wayne Thompson as Independent Non-Executive Director | | |
| Resolution 7 | Retention of Lim Hak Min as Independent Non-Executive Director | | |

*(Please indicate your vote by marking (X) or (√) in the space provided above on how you wish your vote to be cast. Unless voting instructions are indicated in the space above, the proxy will vote or abstain from voting as he/she thinks fit.)*

As witness my/our hand(s) this ______ day of ______________, 2025

______________________________
Signature of Member / Common Seal

**Notes:**

1. Only members whose names appear in the Record of Depositors as at 26 November 2025 ("**General Meeting Record of Depositors**") shall be eligible to attend, participate, speak and vote at this Meeting as well as for appointment of any person as his proxy(ies) to exercise all or any of his rights to attend, participate, speak and vote at the Meeting on his stead.
2. Where a member of the Company is an exempt authorised nominee ("**EAN**") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
3. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
4. Where a member appoints more than 1 proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal, or the hand of its attorney duly authorised. An instrument appointing a proxy to vote at this Meeting shall be deemed to include the power to demand a poll on behalf of the appointer.
6. The instrument appointing a proxy or Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Share Registrar of the Company at ***Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia*** not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in such instrument proposes to vote. ***Faxed, photocopied, and electronically scanned copies of the duly executed Form of Proxy are not acceptable***.
7. Pursuant to Rule 8.31A of the ACE Market Listing Requirements, the resolution set out in this Notice will be put to vote by poll.

PLEASE FOLD HERE

Affix
stamp

The Share Registrar of
**NOVA MSC BERHAD** (200201024235(581898-H))
Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

PLEASE FOLD HERE

NOVA MSC BERHAD
(200201024235 (591898-H))

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