MQ

TECHNOLOGY BERHAD

200301033383 (635804-H)

EMPOWERING INTELLIGENCE DRIVING EXCELLENCE IN TECHNOLOGY

2026

ANNUAL REPORT

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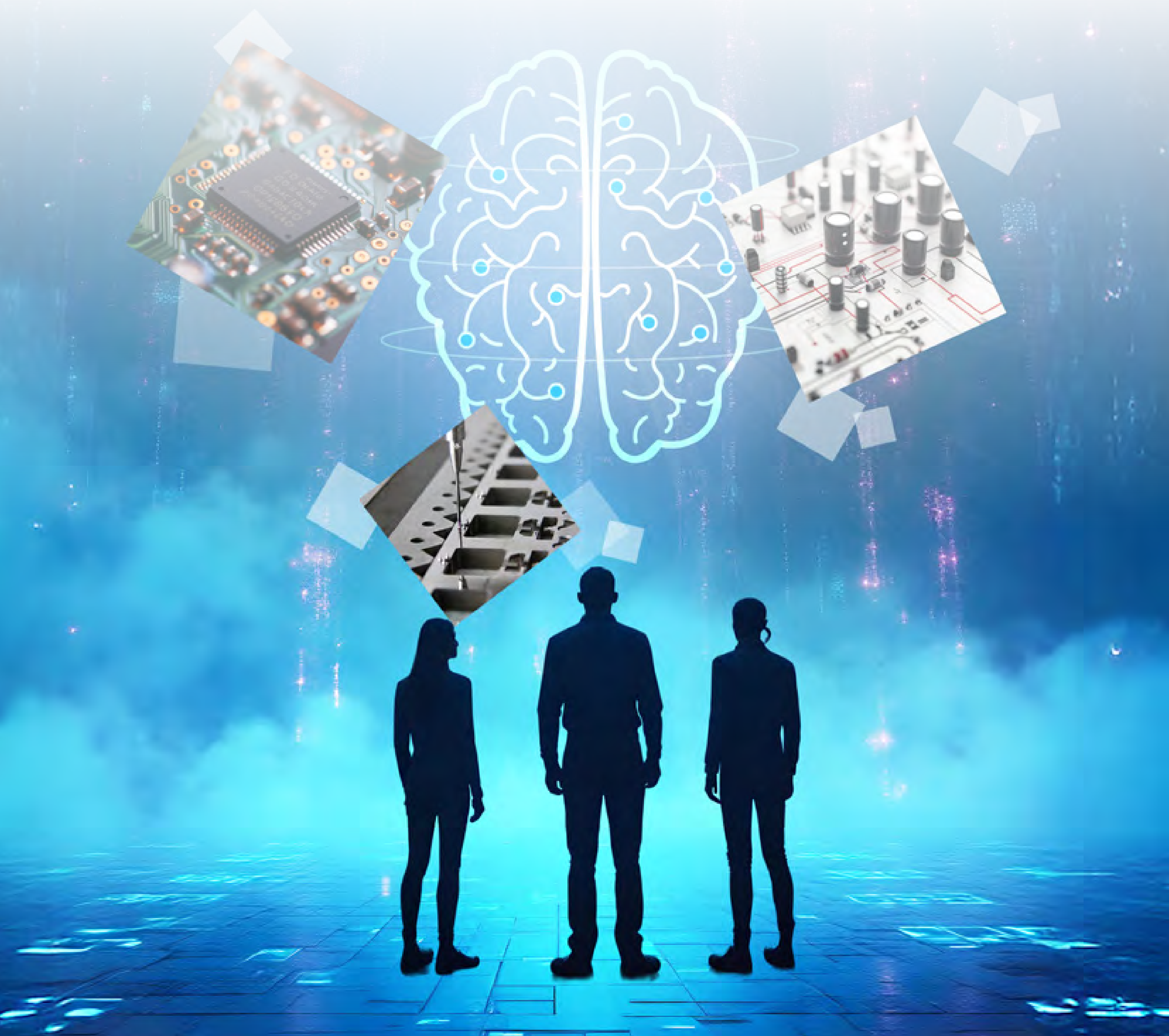

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Nurulhidayah Binti Ahmad Zahid
Independent Non-Executive Chairman

Terence Cheah Eu Lee
Executive Director

Dr. Koay Boon Hooi
Independent Non-Executive Director

Low Henn Kai
(Appointed on 27 August 2025)
Non-Independent Non-Executive Director

Dato' Masrul Affendy Bin Masram
(Appointed on 22 September 2025)
Independent Non-Executive Director

Mary Susila A/P N.Perumal
(Appointed on 3 November 2025)
Independent Non-Executive Director

AUDIT COMMITTEE

Dr. Koay Boon Hooi
Chairman
Independent Non-Executive Director

Dato' Masrul Affendy Bin Masram
Member
Independent Non-Executive Director

Mary Susila A/P N.Perumal
Member
Independent Non-Executive Director

REMUNERATION COMMITTEE

Low Henn Kai
Chairman
Non-Independent Non-Executive Director

Dr. Koay Boon Hooi
Member
Independent Non-Executive Director

Terence Cheah Eu Lee
Member
Executive Director

RISK MANAGEMENT COMMITTEE

Dr. Koay Boon Hooi
Chairman
Independent Non-Executive Director

Dato' Masrul Affendy Bin Masram
Member
Independent Non-Executive Director

Mary Susila A/P N.Perumal
Member
Independent Non-Executive Director

NOMINATION COMMITTEE

Dr. Koay Boon Hooi
Chairman
Independent Non-Executive Director

Low Henn Kai
Member
Non-Independent Non-Executive Director

Dato' Masrul Affendy Bin Masram
Member
Independent Non-Executive Director

CORPORATE INFORMATION (CONT'D)

COMPANY SECRETARY

Lim Li Heong (MAICSA 7054716)
SSM Practising Certificate No. 202008001981

Wong Mee Kiat (MAICSA 7058813)
SSM Practising Certificate No. 202008001958

PRINCIPAL PLACE OF BUSINESS

Unit 310, Block C, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: (603) 7731 8701
Web: www.mqtech.com.my

AUDITORS

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No. 62-1, 1st Floor, Jalan 2/23A
Off Jalan Genting Klang
Taman Danau Kota, Setapak
58200 Kuala Lumpur
W.P. Kuala Lumpur

Tel: (603) 4142 1626
Fax: (603) 4142 1601

SOLICITORS

Lim Ooi & Partners
Wei Chien & Partners

REGISTERED OFFICE

Level 7, Mercu 3, No. 3, Jalan Bangsar,
KL Eco City,
59200 Kuala Lumpur
Tel: (603) 2280 6388
Fax: (603) 2280 6399
Email: listcomalaysia@acclime.com

PRINCIPAL BANKERS

Hong Leong Bank Berhad
RHB Bank Berhad

HEAD OFFICE

Unit 310, Block C, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: (603) 7731 8701

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel: (603) 2783 9299
Fax: (603) 2783 9222

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: MQTECH
Stock Code: 0070

CORPORATE STRUCTURE

MQ
TECHNOLOGY BERHAD
200301033383 (635804-H)

- 100% **MICROLEAD PRECISION TECHNOLOGY SDN BHD**
- 100% **STAR ACRES SDN BHD**
- 100% **MQ BUILDERS SDN BHD**
- 100% **MICROLEAD MANUFACTURING SDN BHD**
- 100% **YIXI WELLNESS SDN BHD**

MQ Technology Berhad ("MQ") was incorporated in Malaysia on 2 December 2003 as a private limited company under the name of MQ Technology Sdn Bhd. Subsequently, on 13 February 2004, it was converted to a public limited company and since then assumed its present name.

The details of the subsidiaries of MQ as at the date of this Annual Report are summarised below:-

Company	Date / Place of Incorporation	Effective Equity Interest %	Principal Activities
Microlead Precision Technology Sdn Bhd	12.12.1995/ Malaysia	100. 00	(i) Manufacture of moulds, tools, dies, jigs and fixtures mainly for use in the manufacture of hard disk drives (ii) Design, development and manufacture of advanced suspension tooling, progressive tooling, semiconductor cavity/encapsulation moulds for application in hard disk drives and semiconductor industries (iii) Design, development and manufacture of advanced automation modules/ assemblies for digital data storage, medical instrument systems/devices and optoelectronics applications and related components
Star Acres Sdn Bhd	25.11.2014/ Malaysia	100.00	Investment Holding
MQ Builders Sdn Bhd	06.07.2018/ Malaysia	100.00	Property and project development related activities
Microlead Manufacturing Sdn Bhd	16.07.2018/ Malaysia	100.00	Manufacture of car spare parts, plastics moulds, metal moulds and blowing moulds for plastic products, tooling, jig and fixtures for electronic and semiconductor
Yixi Wellness Sdn Bhd	29.12.2022 / Malaysia	100.00	(i) Wholesale of a variety of goods without any particular specialization n.e.c. (ii) Physiotherapy and occupational therapy service (iii) Other human health services n.e.c.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

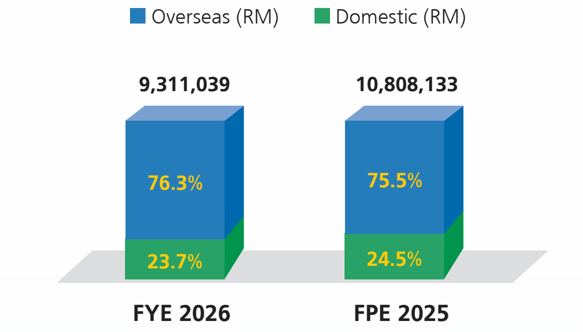
We are pleased to present the Management Discussion and Analysis of MQ Technology Berhad ("MQTB" or the "Group") for the financial year ended 28 February 2026 ("FYE2026").

The Group remains principally engaged in the design, development and manufacture of high-precision moulds, tools, dies, jigs, fixtures and advanced automation modules serving customers in the hard disk drive ("HDD"), semiconductor, telecommunications, medical device and related precision engineering industries. The Group's manufacturing operations are carried out primarily through Microlead Precision Technology Sdn. Bhd. ("MPT"), while Microlead Manufacturing Sdn. Bhd. remains dormant.

In addition to its core manufacturing activities, the Group continues to maintain its diversification platform through Star Acres Sdn. Bhd., MQ Builders Sdn. Bhd. and Yixi Wellness Sdn. Bhd., which remain dormant as at FYE2026. The Group continues to evaluate opportunities to unlock value from these business segments in line with its long-term diversification strategy.

The following charts and tables present the Group's revenue segmentation by markets and by country for FYE2026 and FPE2025.

REVENUE SEGMENTATION BY MARKETS (RM)

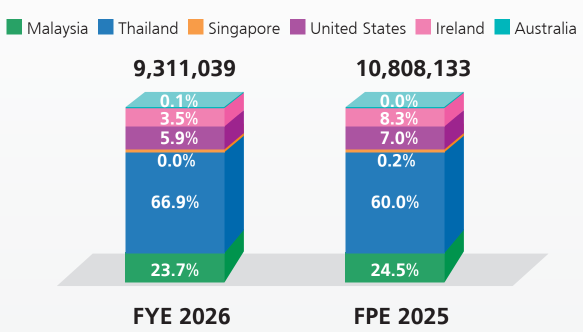


REVENUE SEGMENTATION BY MARKETS (RM)

Year	Domestic		Overseas		Total Revenue
	RM	%	RM	%	RM
FYE 2026	2,208,926	23.7	7,102,113	76.3	**9,311,039**
FPE 2025	2,648,315	24.5	8,159,818	75.5	**10,808,133**

Note: *Overseas revenue comprises sales to Thailand, Singapore, United States, Ireland and Australia.*

REVENUE SEGMENTATION BY COUNTRY (RM)



REVENUE SEGMENTATION BY COUNTRY (RM)

Country	FYE 2026		FPE 2025	
	RM	%	RM	%
Malaysia	2,208,926	23.7	2,648,315	24.5
Thailand	6,227,337	66.9	6,847,491	60.0
Singapore	-	0.0	22,237	0.2
United States	546,086	5.9	752,817	7.0
Ireland	322,033	3.5	897,274	8.3
Australia	6,658	0.1	-	0.0
Total	**9,311,039**	**100.0**	**10,808,133**	**100.0**

The Group generated revenue of RM9.31 million during FYE2026, with overseas markets contributing approximately 76% of total revenue. Thailand remained the Group's largest market, accounting for approximately 67% of total revenue, followed by Malaysia, the United States, Ireland and Australia. During the financial year, the Group successfully expanded its geographical presence through sales to Australia, representing a new export market.

The Group's revenue mix continued to evolve in response to customer demand and business opportunities. While Thailand remained the principal export market, sales to Ireland declined following a reduced focus on business with Automated Industrial Robotics Shannon. In addition, no sales were recorded from Singapore during FYE2026. These changes reflect the Group's continued efforts to align its market focus with evolving customer demand and business opportunities.

The Group's customer base continues to be supported by demand from the HDD and precision engineering sectors, driven by ongoing global investment in digital infrastructure, cloud computing and artificial intelligence technologies. The Group also secured new customers during the year, including Interpack Pty Ltd and Han Industrial Technology, further strengthening its market reach and revenue diversification.

Looking ahead, the Group remains focused on improving revenue growth, operational efficiency, cost management, product quality and delivery performance. Supported by its established manufacturing capabilities, experienced workforce and continued investment in production infrastructure, the Group is committed to strengthening its competitive position and delivering sustainable long-term value to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW

Financial Highlights

REVENUE
RM9.31 MILLION
▼ 13.8%
FPE2025: **RM10.81 MILLION**

GROSS PROFIT
RM0.85 MILLION
▲ 483.4%
FPE2025: **RM0.15 MILLION**

LOSS BEFORE TAX
(RM5.27 MILLION)
▲ 56.0% IMPROVEMENT
FPE2025: **(RM11.99 MILLION)**

LOSS AFTER TAX
(RM5.56 MILLION)
▲ 53.6% IMPROVEMENT
FPE2025: **(RM11.99 MILLION)**

TOTAL ASSETS
RM78.92 MILLION
▲ 2.5%
FPE2025: **RM77.00 MILLION**

SHAREHOLDERS' EQUITY
RM58.92 MILLION
▼ 8.0%
FPE2025: **RM64.05 MILLION**

Financial Metric	FYE2026	FPE2025	Change (%)
Revenue (RM'000)	9,311	10,808	(13.8)
Gross Profit (RM'000)	848	145	483.4
Loss Before Tax (RM'000)	(5,273)	(11,991)	56.0
Loss After Tax (RM'000)	(5,558)	(11,991)	53.6
Total Assets (RM'000)	78,923	77,002	2.5
Shareholders' Equity (RM'000)	58,916	64,053	(8.0)
Cash & Bank Balances (RM'000)	725	847	(14.4)
Net Assets Per Share (RM)	0.27	0.31	(12.9)

Note: *FPE2025 covered approximately seventeen (17) months following the change in the Group's financial year-end, whereas FYE2026 represents a normal twelve (12)-month financial year. Accordingly, certain period-to-period comparisons may not be directly comparable.*

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Performance

Revenue

The Group recorded revenue of RM9.31 million for FYE2026 compared to RM10.81 million reported in FPE2025. While revenue was lower on an absolute basis, it should be viewed in the context of FPE2025 covering a longer reporting period following the change in the Group's financial year-end. On a comparable basis, the Group experienced improved business activity and customer demand during FYE2026, supported by continued recovery in customer orders and the strengthening of existing customer relationships.

The Group remained focused on expanding its customer base and enhancing operational capabilities to support sustainable revenue growth. During the financial year, Management continued to pursue opportunities in both existing and new markets while maintaining its commitment to product quality, delivery performance and customer service.

Gross Profit

The Group reported a gross profit of RM0.85 million during FYE2026, compared to RM0.15 million in FPE2025, representing a significant improvement in gross profitability. The stronger gross margin performance was attributable to improved production efficiency, higher machine utilisation and continued efforts to optimise operating costs.

During the financial year, the Group reduced its reliance on subcontractors by reallocating production activities to in-house resources. This resulted in better utilisation of manufacturing capacity, improved cost efficiency and enhanced control over production processes. The Group's ongoing focus on operational improvements and resource optimisation contributed positively to its overall gross profit performance.

Administrative and Operating Expense

Operating expenses amounted to RM6.51 million during FYE2026. The Group continued to exercise prudent cost management while maintaining investments necessary to support operational capability and future growth initiatives.

During the financial year, the Group recognised certain non-cash and non-recurring expenses, including an impairment loss on prepayments amounting to RM2.75 million. Excluding this impairment, the Group's underlying operating performance reflected continued efforts to strengthen cost discipline and improve operational efficiency.

The Group remains committed to enhancing productivity, optimising resource utilisation and implementing cost management initiatives to support sustainable long-term profitability.

Loss Before Tax and Loss After Tax

The Group recorded a loss before taxation of RM5.27 million and a loss after taxation of RM5.56 million during FYE2026, compared to a loss before taxation of RM11.99 million and a loss after taxation of RM11.99 million in FPE2025.

Despite remaining in a loss-making position, the Group achieved a significant reduction in losses during the financial year. The improvement was driven by stronger gross profitability, higher machine utilisation, reduced dependence on subcontracting activities and continued cost optimisation initiatives across the business.

The financial results were also impacted by a non-cash impairment loss on prepayments amounting to RM2.75 million recognised during the year. Notwithstanding this one-off expense, the Group demonstrated meaningful progress in improving its operational performance and narrowing its losses.

The Board and Management remain focused on strengthening revenue generation, improving utilisation of production assets and enhancing operating efficiency to further improve financial performance in future periods.

Earnings Per Share (EPS)

The Group recorded a basic loss per share of 2.67 sen for FYE2026 compared to 6.08 sen in FPE2025. The improvement was primarily attributable to the significant reduction in losses achieved during the financial year as a result of improved gross profitability, higher production efficiency and ongoing cost optimisation initiatives.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Drivers of Financial Performance

Key operational and cost management initiatives have contributed to the improvement in gross profit, partially offset by impairment losses, resulting in a significant reduction in overall losses.

GROSS PROFIT IMPROVED

RM0.15m → RM0.85m

Better margin achieved through improved operational efficiency and cost management.

MORE IN-HOUSE PRODUCTION

Greater in-house production reduced reliance on subcontractors and lowered production costs.

HIGHER MACHINE UTILISATION

Improved scheduling and operational efficiency led to better machine utilisation and higher output.

IMPAIRMENT LOSS ON PREPAYMENTS

Impairment loss on prepayments of **RM2.75m** impacted overall financial performance.

LOSS REDUCED BY 54%

RM11.99m → RM5.56m

Cost discipline and operational improvements led to a 54% reduction in overall loss for FYE2026.

Focused execution of operational strategies and cost control measures continue to strengthen the Group's financial performance and support long-term sustainability.

Financial Position

As at 28 February 2026, the Group's total assets stood at RM78.92 million compared to RM77.00 million as at 28 February 2025, representing an increase of approximately 2.5%. The increase was primarily attributable to the recognition of new investments and capital expenditure incurred during the financial year, including investments in production equipment, machinery and operational improvements.

During the financial year, the Group also recorded new investments amounting to approximately RM2.54 million as part of its ongoing efforts to strengthen and diversify its investment portfolio. In addition, a motor vehicle held by Star Acres Sdn. Bhd. was disposed of during the year as part of normal asset management activities.

Shareholders' equity stood at RM58.92 million compared to RM64.05 million in the previous financial period, reflecting the loss recorded during the year.

Property, Plant and Equipment (PPE)

The Group's property, plant and equipment amounted to RM26.72 million as at 28 February 2026 compared to RM28.01 million as at 28 February 2025. During the financial year, the Group incurred capital expenditure of approximately RM469,000 to support production capabilities, operational efficiency and infrastructure improvements. The investments primarily comprised machinery, production equipment and information technology assets to support the Group's manufacturing and operational requirements.

In addition, the Group completed the construction of its three-storey factory extension project during the financial year. The project, with a total capitalised cost of approximately RM6.41 million, has been classified as assets held for sale as at 28 February 2026. The completion of the project reflects the Group's continued commitment to strengthening its operational infrastructure and supporting future business requirements.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Other Investment

Other investments amounted to RM2.54 million as at 28 February 2026 compared to nil in the previous financial period, reflecting investment activities undertaken during the financial year as part of the Group's ongoing efforts to diversify and strengthen its investment portfolio.

Trade and Other Receivables

Trade and other receivables increased marginally to RM17.96 million from RM17.32 million in the previous financial period. The movement was primarily attributable to normal business operations and working capital requirements.

Included within other receivables was a recoverable amount of RM300,000 relating to refundable earnest and balance deposits arising from the proposed disposal of MPT's land and building. The amount remained recoverable as at 28 February 2026.

Cash and Cash Equivalents

Cash and bank balances stood at RM0.72 million as at 28 February 2026 compared to RM0.85 million in the previous financial period. After excluding pledged deposits of RM0.26 million, cash and cash equivalents amounted to RM0.46 million as at 28 February 2026.

The decrease in cash and cash equivalents was primarily attributable to capital expenditure, investment activities and working capital requirements undertaken during the financial year. Despite the reduction, the Group continued to manage its cash resources prudently to support operational requirements and ongoing business activities.

Capital Structure and Borrowings

The Group continued to maintain a prudent capital structure during FYE2026 to support operational requirements and future growth initiatives. Shareholders' equity stood at RM58.92 million as at 28 February 2026 compared to RM64.05 million in the previous financial period, reflecting the loss recorded during the financial year.

During the financial year, the Company's share capital increased from RM57.10 million to RM58.10 million following the conversion of redeemable convertible bonds ("RCBs") into ordinary shares. Correspondingly, the outstanding RCB balance decreased from RM2.37 million to RM1.76 million following conversion and redemption activities undertaken during the year.

In May 2025, the Company announced a proposed variation to the minimum conversion price and utilisation of proceeds relating to its RCB programme. The proposal was intended to provide greater flexibility in the Group's capital management and funding strategy while supporting its future operational and investment requirements.

The Group continued to adopt a conservative financing approach and remained focused on maintaining adequate liquidity and financial flexibility. Looking ahead, the Group expects to enter into a long-term rental arrangement in connection with the proposed disposal of certain operational assets. Management will continue to assess the financial implications of such commitments to ensure alignment with the Group's business objectives.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Position Movements

Key movements in the Statement of Financial Position for FYE2026 compared to FPE2025

TOTAL ASSETS

RM77.0m → RM78.9m

Increase of RM1.9 million reflecting the Group's expansion and investment activities.

NEW INVESTMENTS

RM2.54m

Investments in new machinery and equipment to enhance production capacity and efficiency.

CAPEX

RM0.47m

Capital expenditure incurred for the acquisition of property, plant and equipment.

FACTORY EXTENSION

RM6.41m Completed

Factory extension project successfully completed to support future business growth.

EQUITY

RM64.1m → RM58.9m

Decrease of RM5.2 million primarily due to accumulated losses for the financial year.

CASH BALANCE

RM0.85m → RM0.72m

Decrease of RM0.13 million mainly attributable to operating cash outflows and capital expenditure.

The Group continues to strengthen its financial position through strategic investments and capacity expansion to support long-term growth and value creation.

DIVIDENDS DECLARED

The Group does not currently have a formal dividend policy. In determining any future dividend payments, the Board will take into consideration the Group's financial performance, cash flow requirements, capital expenditure commitments, working capital needs and overall business prospects.

In view of the Group's financial performance and its continued focus on strengthening its financial position and supporting future growth initiatives, the Board did not recommend any dividend for FYE2026.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATING ENVIRONMENT

During FYE2026, the Group operated in a business environment characterised by continued technological advancements, evolving customer requirements and ongoing global economic uncertainties. Demand within the precision engineering and manufacturing sectors remained influenced by developments in the hard disk drive ("HDD"), semiconductor, telecommunications and related industries, which continue to be key markets served by the Group.

The increasing adoption of artificial intelligence ("AI"), cloud computing and data centre infrastructure continued to support demand for data storage solutions and contributed to early signs of recovery within the HDD supply chain, creating additional business opportunities for the Group. As a manufacturer of precision tooling, moulds and automation components used in these industries, the Group benefited from continued customer demand and business opportunities arising from these market developments.

The Group's export-oriented business model continued to expose it to developments in international markets and global supply chain conditions. As a result, customer demand, foreign exchange movements and industry investment cycles remained important factors influencing the Group's operating environment during the financial year.

Despite improving market conditions in certain sectors, the operating environment remained competitive. Manufacturers continued to face challenges relating to rising operating costs, labour availability, foreign exchange fluctuations and evolving customer expectations relating to quality, lead times and pricing. In response, the Group remained focused on improving operational efficiency, strengthening customer relationships and enhancing production capabilities to maintain its competitiveness.

The Board remains cautious yet optimistic regarding the outlook of the industries served by the Group. The continued growth of digital technologies, AI applications and data infrastructure is expected to support demand for precision engineering products and services over the medium to long term.

HIGHLIGHTS AND ACHIEVEMENTS

Despite operating in a competitive and evolving business environment, the Group achieved several significant milestones during FYE2026 that strengthened its operational capabilities, market presence and long-term growth prospects.

The key highlights and achievements during the financial year are summarised below:

01 MARKET EXPANSION

Successfully entered the Australian market and expanded international presence.

02 NEW CUSTOMERS

Secured new customers including Interpack Pty Ltd and Han Industrial Technology.

03 FACTORY EXTENSION

Completed 3-storey factory extension project valued at RM6.41 million.

04 PRODUCTION CAPABILITY

Continued investment in machinery, equipment and operational improvements.

05 FINANCIAL PERFORMANCE

Loss after tax reduced from RM11.99 million to RM5.56 million.

54% Reduction

06 QUALITY EXCELLENCE

Successfully maintained ISO 9001:2015 certification following surveillance audit.

Supporting sustainable growth through operational excellence, customer diversification and continuous improvement.

These achievements reflect the Group's continued focus on strengthening operational efficiency, expanding market opportunities and enhancing long-term competitiveness. The Board remains committed to building on these accomplishments and delivering sustainable value to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

RISKS AND CHALLENGES

The Group operates in a dynamic and competitive business environment that presents various operational, financial and strategic risks. The key risks identified during FYE2026 and the corresponding mitigation measures are summarised below:

RISK AREA	KEY EXPOSURE	POTENTIAL IMPACT	MITIGATION MEASURES
Customer Concentration and Market Dependence	• Thailand contributed approximately **67%** of Group revenue.	• Changes in customer demand, industry cycles or economic conditions may adversely affect revenue performance.	• Continue customer diversification and expand market presence across multiple geographical regions.
Foreign Exchange Risk	• Overseas sales expose the Group to currency fluctuations. Realised and unrealised forex losses of approximately **RM359,000** were recorded during FYE2026.	• Exchange rate movements may affect profitability and cash flows.	• Monitor foreign currency exposures and implement prudent financial planning.
Technology and Industry Evolution	• Rapid technological developments and evolving customer requirements.	• Loss of competitiveness and business opportunities if technological changes are not addressed.	• Continue investing in machinery, operational improvements, quality systems and workforce development.
Competitive Market Environment	• Pricing pressure, quality requirements and delivery expectations.	• Margin compression and reduced competitiveness.	• Improve productivity, operational efficiency and customer relationships while maintaining quality standards.
Operational and Business Continuity Risk	• Supply chain disruptions, operational interruptions and future rental commitments.	• Potential impact on production continuity and financial performance.	• Maintain business continuity planning and evaluate future commitments to support operational sustainability.

The Group continuously monitors and assesses risks that may affect the achievement of its strategic, operational and financial objectives. Appropriate mitigation measures are implemented to manage identified risks within acceptable risk tolerance levels, while the Board and Management regularly review emerging risks and business developments to ensure the continued effectiveness of the Group's risk management framework.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FUTURE PROSPECTS

Looking ahead, the Board remains cautiously optimistic regarding the Group's business outlook. The continued growth of artificial intelligence ("AI"), cloud computing, digital infrastructure and data storage applications is expected to support demand within the hard disk drive ("HDD"), semiconductor and precision engineering industries served by the Group.

The Group will continue to focus on strengthening its core manufacturing business through operational excellence, customer diversification and continuous improvement initiatives. Efforts will remain directed towards improving productivity, enhancing product quality, optimising production efficiency and strengthening cost management to support long-term profitability.

The successful expansion into Australia and the acquisition of new customers during FYE2026 provide opportunities for the Group to further diversify its revenue base and reduce concentration risk. Management will continue to pursue opportunities to expand its geographical presence and strengthen relationships with both existing and prospective customers.

Following the completion of the Group's factory extension project, Management expects the additional operational capacity and enhanced facilities to support future business growth and improve operational flexibility. Nevertheless, the Board remains mindful that business recovery and profitability improvement may continue to be gradual amid ongoing market competition and economic uncertainties. Accordingly, the Group will continue to emphasise cost management, operational efficiency and productivity improvement initiatives.

While global economic conditions, foreign exchange volatility and competitive market pressures remain key challenges, the Board believes that the Group's established technical expertise, long-standing customer relationships and ongoing operational improvements position it well to capture future business opportunities.

The Group will continue to leverage its ISO 9001:2015 certified quality management system to support operational excellence, customer satisfaction and continuous improvement initiatives.

The Group remains committed to creating sustainable long-term value for shareholders through disciplined execution of its business strategies, prudent financial management and continuous enhancement of its operational capabilities.

CONCLUSION

FYE2026 was a year of continued operational progress for the Group. Despite operating in a competitive business environment and remaining in a loss-making position, the Group achieved several important milestones, including the expansion into a new geographical market, the acquisition of new customers, the completion of its factory extension project and continued investment in production capabilities.

The Group also recorded a significant reduction in losses compared to the previous financial period, reflecting improvements in gross profitability, operational efficiency and cost management initiatives. These achievements demonstrate Management's ongoing efforts to strengthen the Group's operational foundation and enhance its long-term competitiveness.

Moving forward, the Group will remain focused on expanding its customer base, improving operational performance, strengthening financial resilience and pursuing sustainable growth opportunities. Supported by its established manufacturing capabilities, experienced workforce and commitment to continuous improvement, the Board remains confident in the Group's ability to navigate future challenges and create sustainable value for shareholders.

ACKNOWLEDGEMENT

FYE2026 was a year of continued progress for the Group as we remained focused on strengthening our operational capabilities, expanding our customer base and improving overall business performance. The achievements recorded during the year provide a stronger foundation for future growth and long-term value creation.

On behalf of the Board of Directors, I would like to express my sincere appreciation to our management team and employees for their dedication, professionalism and contributions throughout the year. We also extend our gratitude to our valued customers, suppliers, business partners, bankers, advisors, regulatory authorities and shareholders for their continued trust, support and confidence in the Group.

The Board remains committed to strengthening the Group's business fundamentals, enhancing shareholder value and positioning the Group for sustainable long-term success. We look forward to the future with confidence and a shared commitment to continuous improvement and growth.

Executive Director

PROFILE OF DIRECTORS

TERENCE CHEAH EU LEE

Executive Director

Date of Appointment: 3 July 2020
Membership of Board Committee:

- Member of Remuneration Committee

Malaysian, Male, aged 53

Mr. Terence Cheah is our Executive Director. He has more than 15 years experience in Food and Beverage Industries and having good networking in the corporate world.

Mr. Terence Cheah started his career with Fairway Logistic (M) Sdn Bhd ("Fairway") since 2004. He is currently the Managing Director of Fairway.

He also sits on the Board of AHB Holdings Berhad as an Independent Non-Executive Director.

He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

He has not been convicted of any offences (other than traffic offences) within the past 5 years. Mr. Terence Cheah attended five (5) Board meetings held during the financial year ended 28 February 2026.

DATO' NURULHIDAYAH BINTI AHMAD ZAHID

Independent Non-Executive Chairman

Date of Appointment: 2 June 2022
Membership of Board Committee: None
Malaysian, Female, aged 48

Dato' Nurulhidayah Ahmad Zahid is an accomplished corporate leader, entrepreneur, and communications strategist with more than 20 years of experience across corporate communications, business development, hospitality, property development, and strategic management.

She holds a Master of Business Administration (MBA) from Lincoin University College, a Bachelor's Degree in Communication from Universiti Putra Malaysia (UPM), and a Diploma in Business Executive Studies (ABE) from Sunway College.

Dato' Nurulhidayah currently serves as Executive Director of Menara Rezeki Sdn. Bhd., where she oversees strategic business initiatives and corporate growth. Her career includes leadership positions in both public and private sector organizations, including Executive Director of Ri-Yaz Hotels & Resorts and Vice President of Corporate Communication at Syarikat Perumahan Negara Berhad (SPNB).

Over the years, she has developed extensive expertise in stakeholder relations, corporate affairs, brand management, public engagement, and organisational leadership. Her multidisciplinary experience has enabled her to successfully lead initiatives that strengthen corporate reputation, drive business growth, and create meaningful social impact.

Beyond her corporate responsibilities, Dato' Nurulhidayah is actively involved in community development, leadership initiatives, and advocacy programmes aimed at empowering future generations. She is widely recognized for her dedication to service, strong leadership values, and commitment to nation-building.

Dato' Nurulhidyah does not hold any other directorships in other listed entities. She does not have any family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

She has not been convicted of any offences (other than traffic offences) within the past 5 years. Dato' Nurulhidayah attended three (3) Board meetings held during the financial year ended 28 February 2026.

PROFILE OF DIRECTORS (CONT'D)

DR. KOAY BOON HOOI
Independent Non-Executive Director

Date of Appointment: 12 March 2021
Membership of Board Committee:
- Chairman of Audit Committee
- Chairman of Risk Management Committee
- Chairman of Nomination Committee
- Member of Remuneration Committee

Malaysian, Male, aged 64

Dr. Koay holds a Degree in Accounting from University of Montevallo, Alabama, USA, Master of Business Administration from University of Alabama at Birmingham, USA, Executive Doctor in Business Administration from Sabi University, France, Honorary Doctor in Business Administration from SABI University, France and Honorary PhD in Business Administration with Specialization in Human Resources.

He is the Fellow and Trustee of the Malaysian Institute of Human Resource Management. He is actively participating in the development of the Institute via contribution in term of Corporate Governance. He also an external certification officer of Malaysia Skills and National Vocational Training Council of Malaysia Ministry of Human Resources. He is the Fellow of the Institute of Public Accountants, Australia and the Institute of Financial Accountants, UK. He is the Honorary Fellow (FPME Hon) of the Association of Professional Managers & Entrepreneurs. Recently, Dr. Koay has been admitted as Chartered Audit Committee Director by the Institute of Internal Auditors, Malaysia on 28 August 2023.

Dr. Koay does not hold any other directorships in other listed entities. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

He has not been convicted of any offences (other than traffic offences) within the past 5 years. Dr. Koay attended five (5) Board meetings held during the financial year ended 28 February 2026.

LOW HENN KAI
Non-Independent Non-Executive Director

Date of Appointment: 27 August 2025
Membership of Board Committee:
- Chairman of Remuneration Committee
- Member of Nomination Committee

Malaysian, Male, aged 35

Mr. Low Henn Kai is a qualified Advocate & Solicitor of the High Court of Malaya, a registered Mediator with the Malaysian International Mediation Center (MIMC) and the Asian International Arbitration Centre (AIAC), and an Associate of the Asian Institute of Alternative Dispute Resolution (AIADR). In addition, he is also a licensed Company Secretary.

He has more than nine years of experience in legal practice. He commenced his legal career in 2017 and has been involved in various areas of legal practice. He is the Managing Partner of Messrs. Kai & Co (Advocates & Solicitors).

Mr. Low does not hold any other directorships in other listed entities. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

He has not been convicted of any offences (other than traffic offences) within the past 5 years. Mr. Low attended two (2) Board meetings held during the financial year ended 28 February 2026.

PROFILE OF DIRECTORS (CONT'D)

DATO' MASRUL AFFENDY BIN MASRAM

Independent Non-Executive Director

Date of Appointment: 22 September 2025
Membership of Board Committee:

- Member of Audit Committee
- Member of Risk Management Committee
- Member of Nomination Committee

Malaysian, Male, aged 51

Dato' Masrul Affendy Bin Masram had been in banking industry for more than 15 years, with extensive experience in the financial sector and property industry. His acute knowledge stems from having a full circle with Maybank, the largest bank and financial group in Malaysia and now with Vanta Capital, a boutique private equity. He currently sits on several developments boards as Chairman and Directors position for the past 7 years mainly in the private equity and capital venture sectors.

He does not hold any other directorships in other listed entities. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

He has not been convicted of any offences (other than traffic offences) within the past 5 years. Dato' Masrul Affendy Bin Masram attended two (2) Board meetings held during the financial year ended 28 February 2026.

MARY SUSILA A/P N.PERUMAL

Independent Non-Executive Director

Date of Appointment: 3 November 2025
Membership of Board Committee:

- Member of Audit Committee
- Member of Risk Management Committee

Malaysian, Female, aged 58

Mary Susila A/P N. Perumal has experience in the finance industry and was responsible for maintaining accurate financial records, preparing reports, and supporting office administration. She is experienced in liaising with stakeholders and organising community engagement activities to ensure efficient financial operations. She also previously worked as a Line Supervisor, monitoring product quality throughout the production process, coordinating shift schedules, assigning tasks, and managing raw material inventory to ensure smooth production flow.

She does not hold any other directorships in other listed entities. She does not have any family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

She has not been convicted of any offences (other than traffic offences) within the past 5 years. Mary Susila A/P N. Perumal attended one (1) Board meeting held during the financial year ended 28 February 2026.

KEY SENIOR MANAGEMENT

TONG SIAN SHYEN

Chief Financial Officer
Malaysian, Male, aged 62

Mr. Tong Sian Shyen graduated from Chartered Institute of Management Accountants (CIMA), UK. He is a member of the Chartered Accountant Malaysia and Associate Member of the Chartered Institute of Taxation Malaysia.

Mr. Tong was appointed to the Board as an Executive Director on March 2019 and resigned as Executive Director and Managing Director on 16 October 2024 following his redesignation as Group Chief Executive Officer ("GCEO"). In September 2025, he was redesignated as Chief Financial Officer following the Group's restructuring.

He has more than 30 years of financial, management and HR experience in a wide array of industries which includes manufacturing, Information Technology, Mobile Application & Digital Marketing, Construction, Property Development, Assembler, Timber & Logging and Agriculture produce, etc.

He started his career in a commercial firm with CI Holding group as Assistant Manager in charge of the operation and financial management of a divisional unit. He later moved to SME industries for a couple of years company specializing in debts and equity restructuring and financial management and reporting. In 2009, he joined PLC company, Dolomite Group as Finance & Administrative Manager. In 2010, he left Dolomite and joined NWP Group as Financial Manager for 4 years. He rejoined the company in 2017 as a Group Accountant. In 2018, He left NWP and joined MQ Technology as Financial Controller and elevated to Executive Director, GCEO until recently, he moved back into the financial management segment.

Mr. Tong does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries. He has not convicted of any offences (other than traffic offences) within the past 5 years.

KOK SENG PING

Chief Operating Officer, Microlead Precision Technology Sdn. Bhd.
Malaysian, Male, aged 48

Kok Seng Ping graduated from Northumbria University Newcastle with a bachelor's degree in Business Administration (major in Finance and Accounting).

He begins his career as an account auditor for three years. Later he got the opportunity to enrol in the engineering field, to work as a production controller in Lite-Tech Solution Sdn Bhd, UV-Lamps manufacturer in Malaysia. From there, he started to pick up the knowledge and skills of manufacturing.

In 2011, he joined Microlead Precision Technology as a Production Planner. In the past 10 years, he has worn many hats from Production Planner to Business Development Manager and beyond.

During the management restructuring at the end of 2020, he was promoted as Microlead's Chief Operating Officer. In this role, he has worked to ensure the financial health and stability of Microlead through diligent monitoring of spending and profitability and risk mitigation, which has helped to turn this year revenue profitable.

Mr. Kok does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries. He has not convicted of any offences (other than traffic offences) within the past 5 years.

LIM CHUNG MING

Production Director, Microlead Precision Technology Sdn. Bhd.
Malaysian, Male, aged 44

Lim Chung Ming graduated from Chung Ling High School Penang and later pursued a Diploma in Information Technology in College IPG.

After graduation, he joined Microlead Precision Technology as a machinist apprentice in 2002. With his outstanding performance during his apprentice period, he was awarded the opportunity to involve in machine programming and later, he got promoted to QA Supervisor.

As the business grew in 2010, Lim Chung Ming was promoted to Production Planner and later Business Development Manager in the year 2015, to communicate with customers and work with the production team to meet customers' needs.

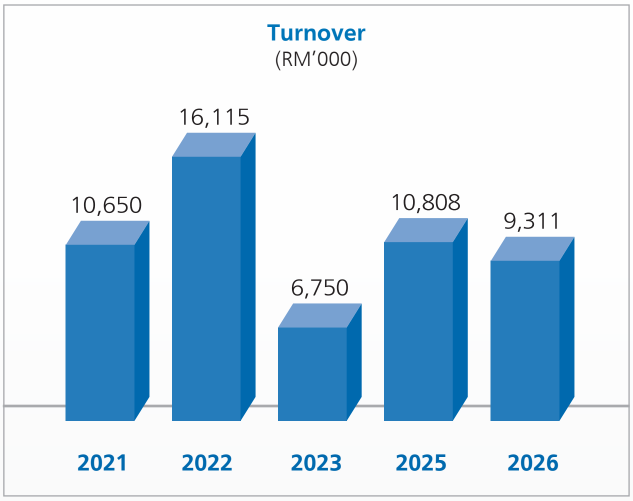
During the management restructuring at the end of 2020, he was promoted to Production Director.

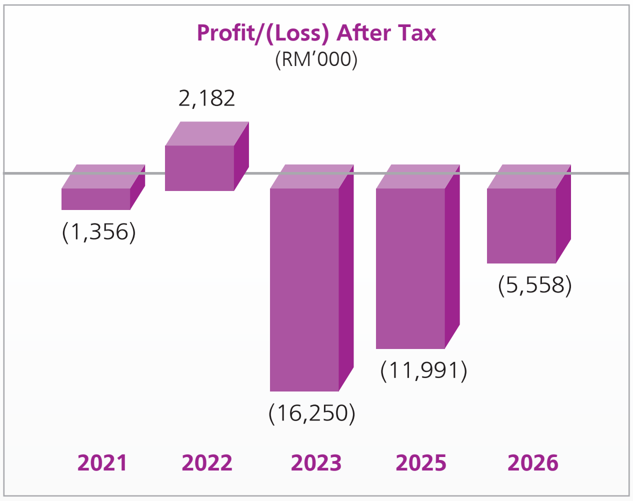
He has worked to ensure productivity in this role and plan approaches and pitches to the customers' needs, concerns, and objectives.

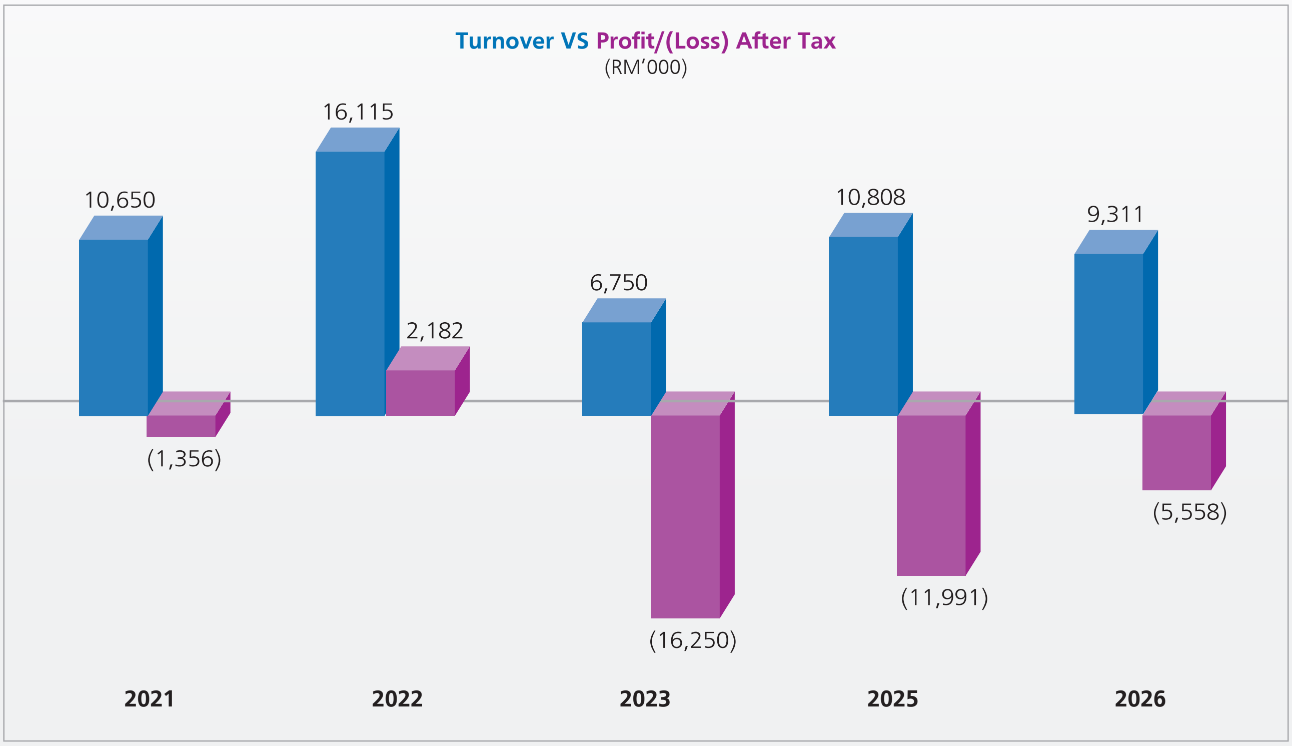
Mr. Lim does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries. He has not convicted of any offences (other than traffic offences) within the past 5 years.

FINANCIAL HIGHLIGHTS

	Group 2021 RM'000	Group 2022 RM'000	Group 2023 (Restated) RM'000	Group 2025 RM'000	Group 2026 RM'000
Turnover	10,650	16,115	6,750	10,808	9,311
Profit/(Loss) Before Tax	(1,458)	1,442	(16,179)	(11,991)	(5,273)
Profit/(Loss) After Tax	(1,356)	2,182	(16,250)	(11,991)	(5,558)
Weighted Average No. of Share assumed in Issue ('000)	734,370	1,006,226	1,322,060	197,150	207,979
Weighted Average Profit/(Loss) per Share (sen)	(0.18)	0.22	(1.23)	(6.08)	(2.67)







CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of MQ Technology Berhad ("MQ" or "the Company") is pleased to present the Corporate Governance ("CG") Overview Statement for the financial year ended 28 February 2026 ("FYE 2026"), which has been prepared in compliance with Rule 15.25 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and an overview on the application of the Principles of corporate governance as promulgated by the Malaysian Code on Corporate Governance issued on April 2021 ("MCCG 2021"). This CG Overview Statement should be read in conjunction with the Company's CG Report, which has set out details on how the Company has applied the Practices as set out in MCCG 2021.

The enhancement of shareholders value, the promotion of long-term value, and the building of a sustainable business require good corporate governance. To this end, the Board is steadfast towards maintaining high standards of corporate governance within the MQ and its subsidiaries ("the Group") and upholding the Principles of MCCG 2021.

Details of the Group's application of each practices set out in the MCCG 2021 are disclosed in the Corporate Governance Report, which is available on the Group's website at www.mqtech.com.my.

1. Board Responsibilities

1.1 Board Charter and Board Committees

The Board is responsible and is accountable to shareholders for managing the business of the Group. The Board retains full and effective controls of the Company and is committed to take full responsibility for the overall corporate governance of the Group, including its strategic business direction and overall wellbeing.

The Board has retained for itself decisions in respect of matters significant to the Group's business operations which include the approval of key corporate plans, major business transactions involving either the acquisitions or disposal of business, interests and/or assets, consideration of significant financial matters and announcements of financial results, appointments to the Board and control structure within the Group.

In performing its duties, the Board is guided by the Board Charter that sets out amongst others its roles, composition, responsibilities, powers, board committees and board meeting procedures. The key elements of governance principles embedded in the Board Charter regulate the Board's conducts and guide the business strategic initiative of the Group. The Board Charter is available on the Company's website at www.mqtech.com.my.

The Board has established five (5) Board Committees, namely Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Share Issue Scheme Committee that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to provide the Board with recommendations and advice. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. These Terms of Reference are reviewed from time to time in accordance with the needs of the Company and considering the changes in the business, governance and legal environment that may have an impact on the discharge of the Committees' duties and responsibilities.

The Chairman of the various Committees will report to the Board the outcome of the Committee meetings which will be recorded in the minutes of the Board meeting. The ultimate responsibility for decision making, however, lies with the Board.

1.2 Company Secretary

The Board is supported by two (2) qualified secretaries, who are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") whom are qualified to act as Company Secretaries under the Companies Act, 2016. As practicing company secretaries, they have also attended continuous professional development programmes as required by MAICSA.

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

1. Board Responsibilities (Cont'd)

1.2 Company Secretary (Cont'd)

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

The Company Secretaries also attend Board, Board Committees and general meetings, and ensure that deliberations at the meetings are accurately minuted and kept in the minutes books and subsequently communicated to the relevant party for necessary actions. Such minutes of meetings are confirmed by the respective Board Committees and signed by the Chairman of the meeting.

1.3 Information and support for Directors

In order to manage the Group's business effectively, the Board meets on a quarterly basis to review the Group's financial and operational results, major investments, report from various Board Committees, related party transactions, strategic decisions and the overall direction of the Group. Additional meetings may be convened when urgent and important decision needs to be taken between the scheduled meetings. All the Directors had committed their time to the Board meetings held during the financial period. Prior to the meetings, notice of agenda together with previous minutes and other relevant information were circulated to all directors on a timely basis in order to enable the directors to be well informed and briefed before the meetings.

Apart from Board meetings, the Board also maintains control over matters that require its approval by circulating resolutions.

All the Directors have full and free access to all relevant Company's information, access to management and may obtain independent professional advice at the Company's expense that are deemed necessary to carry out their duties, subject to prior consultation with the Chairman.

The External Auditors also briefed the Board members on the latest Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial period.

1.4 Code of Conduct and Ethics

The Board observes the Code of Conduct and Ethics for the Company Directors established by the Companies Commission of Malaysia in discharging its role effectively. The Code of Conduct and Ethics requires all Directors to observe high ethical business standards and to apply these values to all aspects of the Group's business and professional practices and to act in good faith in the best interest of the Group and its Shareholders.

1.5 Whistle-Blowing Policy

The Board had adopted the Whistle-blowing Policy that provides a channel to enable employees and other stakeholders to report any suspected breaches of law, regulations or any illegal acts observed in the Group but not limited to financial malpractice or fraud, non-compliance, criminal activity and corruption. The Whistle-blowing Policy is reviewed annually and is available on the Company's website. There were no reported incidents pertaining to whistleblowing during the FYE 2026.

2. Board Composition

The principle emphasises the importance of right board composition in bringing value to the board deliberation and transparency of policies and procedures in selection and evaluation of Board members.

As at the date of this report, the Board consists of six (6) Directors i.e. one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors, (1) Executive Director and one (1) Non-Independent Non-Executive Director. The Independent Non-Executive Directors fulfilled the criteria of "Independence" as prescribed under the AMLR. This complies with the AMLR which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. All Independent Non-Executive Directors are independent of management and have no family or business relationships with the Executive Directors and major shareholders which would interfere with the exercise of their independent judgment.

2. Board Composition (Cont'd)

MQ has two (2) female Independent Non-Executive Directors, providing a representation rate of 33% which complies with the AMLR of Bursa Securities to have at least one (1) woman Director on the Board.

The Board supports gender diversity by having two (2) female Directors to bring diversity to the Board's deliberation and decision-making process.

The Executive Director is responsible for the making of the day-to-day business and operational decisions and implementation of Board policies. There is a clear division of duties and responsibilities amongst them in order to maintain a balance of control, power and authority within the Management.

The Independent Non-Executive Directors are responsible in exercising independent judgement and to act in the best interests of the Group in ensuring that decisions made by the Board are deliberated fully and objectively with regards to the long-term interest of all stakeholders. They have declared themselves to be independent from management and free of any relationship which could interfere with the exercise of their independent judgement and objective participation and decision-making process of the Board.

The Board is confident that its current size and composition reflects an appropriate balance of Executive Director and Independent Non-Executive Directors which is adequate for the scope and nature of the Group's business and operations.

The Company currently does not have a policy to limit the tenure of its Independent Directors. In compliance with the recommendations of Malaysian Code on Corporate Governance, none of the Independent Non-Executive Directors of the Company has served more than nine (9) years.

2.1 Diversity on Board and Senior Management

The Board and the Nomination Committee take into account the current diversity in the skills, experience, age, race/ ethnicity (cultural background) and nationality of the existing Board in seeking potential candidate(s). The Committee has the responsibility to ensure that the Board comprises suitably qualified members that demonstrate appropriate qualities and experience that contribute to effective oversight and stewardship.

The Board will continue to review the optimum Board size based on the business requirement. The optimal size would enable effective oversight, delegation of responsibilities and productive discussions amongst members of the Board.

2.2 Gender Diversity

The Board is committed to maintain an appropriate balance in terms of diversity in experience, skills, competence, caliber and gender in order to have balanced, comprehensive and thorough decision makings. The Board consists of members with a broad range of skills, well-rounded experience and knowledge in different fields relevant to oversee the business. The Board ensures that each member has a proper understanding of the Group's business and competence to deal with current and emerging issues of the Group.

As the date of this Annual Report, the Board comprised of six (6) Directors, of whom two (2) are female, providing a representation rate of 33% which complies with the requirement of AMLR of Bursa Securities to have at least one (1) woman Director on the Board.

2.3 Nomination Committee

The Board has established a Nomination Committee to provide advice and assistance to the Board in matters relating to appointment of new Directors, board composition, training program and performance evaluation on effectiveness of the Board, Board Committees and individual directors. Full details of the Nomination Committee's duties and responsibilities are stated in its Terms of Reference which are available on the Company's website.

2. Board Composition (Cont'd)

2.3 Nomination Committee (Cont'd)

The Nomination Committee comprises Independent Non-Executive Directors, Non-Independent Non-Executive Directors, and is chaired by the Independent Non-Executive Director. The Committee meets as and when required, at least once a year. During the financial period, three (3) meetings were carried out, with attendance as follows:

Name of Directors	Designation	No. of Meetings Attended
Dr. Koay Boon Hooi (Independent Non-Executive Director)	Chairman	3/3
Low Henn Kai (Non-Independent Non-Executive Director) (Appointed on 27 August 2025)	Member	2/2
Dato' Masrul Affendy Bin Masram (Independent Non-Executive Director) (Appointed on 22 September 2025)	Member	2/2
Dato' Lim Char Boo (Senior Independent Non-Executive Vice Chairman) (Retired on 26 August 2025)	Chairman	1/1
Gerald Nicholas Tan Eng Hoe (Independent Non-Executive Director) (Retired on 26 August 2025)	Member	1/1

During the FYE 2026, the Nomination Committee had carried out the following activities:

(a) assessed the performance of the Board, Board Committees and individual Director, including the term of office and performance of the Audit Committee and each of its members;

(b) assessed the independence of the Independent Directors;

(c) reviewed the performance of retiring Directors and recommended them to the Board for re-election at the forthcoming Annual General Meeting ("AGM");

(d) reviewed the size of the Board against the size of the Group and the complexity of the business to assess the impact of the number upon its effectiveness;

2.4 Review of proposed Directors for Re-election/Re-appointment

In accordance with Clause 97 of the Company's Constitution, all Directors of the Company shall retire from office at the first AGM and at the AGM in every subsequent year, one-third (1/3) of the Directors for the time being, or if their number is not three or a multiple of three (3), then the number nearest one-third (1/3) shall retire from office.

In accordance with Clause 104 of the Company's Constitution, all newly appointed Directors of the Company during the FYE 2026 shall retire at the forthcoming AGM.

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

- the Director's contributions to the Board and ability to continue to contribute productively;
- the Director's attendance at Board and committee meetings;
- the Director's compliance with the MCCG 2021;
- whether the Director continues to possess the attributes, capabilities and qualifications considered necessary or desirable for Board service; and
- the independence of the Director.

2. Board Composition (Cont'd)

2.4 Review of proposed Directors for Re-election/Re-appointment (Cont'd)

Based on the results of the assessment undertaken for the FYE 2026, the Nomination Committee resolved to recommend to the Board that:

- Dato' Nurulhidayah Binti Ahmad Zahid who is due to retire pursuant to Clause 97 of the Company's Constitution stands for re-election at the forthcoming AGM.

- Mr. Low Henn Kai, Dato' Masrul Affendy bin Masram, and Mary Susila A/P N.Perumal who are due to retire pursuant to Clause 104 of the Company's Constitution stands for re-election at the forthcoming AGM.

2.5 Evaluation of Board, Board Committees and Individual Directors

The Nomination Committee annually performs a board self-evaluation to evaluate the performance of the Board, Board Committees and individual Director, in order to verify that the Board is operating effectively and efficiently as a whole. Each Director completed a detailed questionnaire in the Directors' Performance Evaluation which covered matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its Terms of Reference. The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, as part of the Company's ongoing corporate governance practices.

Based on the assessment carried out during the FYE 2026, the Nomination Committee had concluded the following:-

(a) The Board was found to be competent and had a dynamic and balanced mix of skills and experience wherein the Directors were able to contribute effectively to the Board's decision-making process.

(b) The current structure, size and composition of the Board, which comprises people who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, would enable the Board to lead and manage the Company effectively.

(c) The Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.

(d) The Board and Board Committees had contributed positively to the Company and its subsidiaries and were operating in an effective manner.

(e) The Board Chairman had performed an excellent manner and contributed to the Board.

(f) The performances of the Board Committees were found to be effective.

2.5.1 Time commitment

The Board undertakes to meet at least four (4) times a year, which are scheduled in advanced to facilitate the Directors in planning their meeting schedule for the year. During the FYE 2026, five (5) Board meetings were held and the details of the attendance of the Directors are set out as below:-

Name of Directors	Attendance
Terence Cheah Eu Lee	5/5
Dr. Koay Boon Hooi	5/5
Dato' Nurulhidayah Binti Ahmad Zahid	3/5
Low Henn Kai (Appointed on 27 August 2025)	2/2
Dato' Masrul Affendy Bin Masram (Appointed on 22 September 2025)	2/2
Mary Susila A/P N.Perumal (Appointed on 3 November 2025)	1/1
Abdul Rahim Rajah Bin Abdullah (Resigned on 3 June 2025)	1/1
Dato' Lim Char Boo (Retired on 26 August 2025)	2/3
Gerald Nicholas Tan Eng Hoe (Retired on 26 August 2025)	3/3

2. Board Composition (Cont'd)

2.5 Evaluation of Board, Board Committees and Individual Directors (Cont'd)

2.5.2 Directors' training

The Board recognises the importance of continuous training to remain abreast of the latest developments in related industry and changes to the regulatory environment. The assessment on individual Director also provided the Board with valuable insights into training and development needs of each Director, to ensure that each Board member's contribution to the Board remains informed and relevant.

During the FYE 2026, the Directors attended the following training programs, seminars and courses: -

Name of Directors	Date	Programmes/Seminar
Low Henn Kai	27 & 28 October 2025	Mandatory Accreditation Programme
Dato' Masrul Affendy Bin Masram	8 & 9 December 2025	Mandatory Accreditation Programme
Mary Susila A/P N.Perumal	28 & 29 January 2026	Mandatory Accreditation Programme

All Directors of the Company had attended the Mandatory Accreditation Programme prescribed by Bursa Securities for Directors of public listed companies.

During the FYE 2026, besides from attending the briefings conducted by the Company Secretary pertaining to the updates on the AMLR, the External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standard that affect the Group's Financial Statements.

3. Remuneration

3.1 Remuneration Policy

The Board has recognized the need to establish a fair and transparent Remuneration Policy with the objective of guiding the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and Key Senior Management. On an annual basis, the Remuneration Committee reviewed and recommended to the Board the remuneration packages of the Executive Director and Key Senior Management, while the remuneration for the Non-Executive Director was determined by the Board as a whole. Fees and benefits payable to the Directors are subject to shareholders' approval at the Company's AGM. The affected Directors had abstained from participation in deliberations and decisions regarding their individual remuneration.

In making its recommendation, the Remuneration Committee considered the principles set out in the Remuneration Policy. The remuneration was structured to align rewards to corporate and individual performances besides adequately compensating the Directors for risks and complexities of the duties and responsibilities they assumed. The Remuneration Committee also obtained data for similar roles of other public listed companies in the same industry for comparison.

The Executive Director and Key Senior Management are subject to an annual performance rating which serves as a basis to determine their variable compensation payments. The Remuneration Policy also covers bonus framework for the Executive Director and Key Senior Management, which link their appraisal process to specific reward and incentive outcomes.

3.2 Remuneration Committee

The Remuneration Committee was established to assist the Board in developing remuneration policies and procedures that enable the Group to attract, motivate and retain qualified Directors and Senior Management personnel. Full details of the functions and duties of the Remuneration Committee are stated in its Terms of Reference which is available on the Company's website.

3. Remuneration (Cont'd)

3.2 Remuneration Committee (Cont'd)

The Remuneration Committee comprises of Non-Independent Non-Executive Director, Independent Non-Executive Directors, and Executive Director. During the FYE 2026, two (2) meeting were carried out with attendance as follows:

Name of Directors	Designation	No. of Meetings Attended
Low Henn Kai (Non-Independent Non-Executive Director) (Appointed on 27 August 2025)	Chairman	N/A
Dr. Koay Boon Hooi (Independent Non-Executive Director)	Member	2/2
Terence Cheah Eu Lee (Executive Director) (Appointed on 27 August 2025)	Member	N/A
Dato' Lim Char Boo (Senior Independent Non-Executive Vice Chairman) (Retired on 26 August 2025)	Chairman	2/2
Gerald Nicholas Tan Eng Hoe (Independent Non-Executive Director) (Retired on 26 August 2025)	Member	2/2

The Remuneration Committee is responsible for recommending to the Board the remuneration framework for Directors as well as the remuneration packages for Executive Director and Key Senior Management. The Executive Director and Key Senior Management did not participate directly in any way in determining their individual remuneration. The Board as whole determines the remuneration of Non-Executive Directors with individual Director abstaining from decisions in respect of their individual remuneration. The Board recommends the Directors' fees payable to Independent Non-Executive Directors on an annual basis for shareholders' approval at the AGM.

3.3 Remuneration of Directors

The aggregate remuneration of the individual Director for the FYE 2026 is as follows:-

Company Level

Name of Directors	Salaries and Other Emoluments (RM)	EPF and SOCSO (RM)	Director Fees (RM)	Total (RM)
Executive Directors				
Terence Cheah Eu Lee	126,000	16,513	-	142,513
Abdul Rahim Rajah Bin Abdullah (Resigned on 3 June 2025)	15,000	2,240	-	17,240
Non-Executive Directors				
Dato' Lim Char Boo (Retired on 26 August 2025)	-	-	30,000	30,000
Gerald Nicholas Tan Eng Hoe (Retired on 26 August 2025)	-	-	18,000	18,000
Dr. Koay Boon Hooi	-	-	42,000	42,000
Dato' Nurulhidayah Binti Ahmad Zahid	-	-	120,000	120,000
Low Henn Kai (Appointed on 27 August 2025)	-	-	18,484	18,484
Dato' Masrul Affendy Bin Masram (Appointed on 22 September 2025)	-	-	-	-
Mary Susila A/P N.Perumal (Appointed on 3 November 2025)	-	-	7,867	7,867

3. **Remuneration (Cont'd)**

3.3 Remuneration of Directors (Cont'd)

Group Level

Name of Directors	Salaries and Other Emoluments (RM)	EPF and SOCSO (RM)	Director Fees (RM)	Total (RM)
Executive Directors				
Terence Cheah Eu Lee	150,000	20,093	-	170,093
Abdul Rahim Rajah Bin Abdullah (Resigned on 3 June 2025)	15,000	2,240	-	17,240
Non-Executive Directors				
Dato' Lim Char Boo (Retired on 26 August 2025)	-	-	30,000	30,000
Gerald Nicholas Tan Eng Hoe (Retired on 26 August 2025)	-	-	18,000	18,000
Dr. Koay Boon Hooi	-	-	42,000	42,000
Dato' Nurulhidayah Binti Ahmad Zahid	-	-	120,000	120,000
Low Henn Kai (Appointed on 27 August 2025)	-	-	18,484	18,484
Dato' Masrul Affendy Bin Masram (Appointed on 22 September 2025)	-	-	-	-
Mary Susila A/P N.Perumal (Appointed on 3 November 2025)	-	-	7,867	7,867

3.4 Remuneration of Key Senior Management

The remuneration of the Senior Managements is set out as follows:-

Range of Remuneration (RM)	Number of Senior Management
Up to RM 50,000	0
RM50,001 to RM 100,000	0
RM100,001 to RM150,000	1
RM150,001 to RM200,000	2
RM200,001 to RM250,000	0

(The details of Key Senior Management's remuneration are not shown, as the Board considers the information of the said remuneration to be sensitive and proprietary in view of the competitive nature and to support the Company's efforts in retaining executive talents. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Key Senior Management's remuneration are appropriately served by the disclosures in the RM50,000 bands. The total remuneration paid to each Key Senior Management reflects the time and effort devoted to fulfil his or her responsibilities on the Board and linked to the Group's performance).

4. Effective Audit and Risk Management

4.1 Audit Committee

Name of Directors	Designation
Dr. Koay Boon Hooi	Chairman Independent Non-Executive Director
Dato' Masrul Affendy Bin Masram	Member Independent Non-Executive Director
Mary Susila A/P N.Perumal	Member Independent Non-Executive Director

The Chairman of the Audit Committee is not the Chairman of the Board. In addition, the Audit Committee is comprised exclusively of Independent Non-Executive Directors. The Audit Committee Report is set out separately in this Annual Report. Full details of the Audit Committee's duties and responsibilities are stated in its Terms of Reference, which is available on the Company's website.

4.2 Oversight of External Auditors

The External Auditors of the Company fulfill an essential role in giving assurance to the Company's shareholders on the reliability of the Group's Financial Statements.

The Audit Committee reviews the independence, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM on an annual basis. The External Auditors would provide written assurance to the Board in respect of its independence to act as the External Auditors of the Group. The Audit Committee would convene a private session with the External Auditors without the presence of the Executive Directors and Key Senior Management.

Details of the audit and non-audit fees paid/payable to the External Auditors for the FYE 2026 are as follows :-

	COMPANY RM	GROUP RM
Statutory audit fees paid/payable	61,000	150,000
Non-audit fees paid/payable	5,000	5,000

The full details of the role of the Audit Committee in relation to the External Auditors is set out in the Audit Committee Report of this Annual Report.

4.3 Risk Management and Internal Control Framework

The Board acknowledges that risk management and internal control systems are an integral part of effective management practice. As risk is inherent in all business activities, hence, it is not the Group's objective to eliminate risk totally. There is an on-going process in place to identify, evaluate, monitor, and manage key risks faced by the Group and the Board reviews the key risks highlighted to ensure the relevant action is taken to mitigate the risk of the Group to safeguard shareholders' investment and Group's assets.

The Board is assisted by the Risk Management Committee to ensure the risk and control framework is embedded into the culture, processes and structure of the Group.

Further details of the Group's Risk Management and Internal Control Systems are reported in the Statement of Risk Management and Internal Control of this Annual Report.

4. Effective Audit and Risk Management (Cont'd)

4.4 Internal Audit Function

The Board has established an Internal Audit function which is currently outsourced to a professional firm. Functionally, the Internal Auditors report to the Audit Committee directly and they are responsible for conducting periodic reviews and appraisals of the effectiveness of the governance, risk management and internal control processes within the Group.

The scope of work covered by the internal audit function during the FYE 2026, summary of activities carried out, including its observations and recommendations, are provided in the Statement on Risk Management and Internal Control and Audit Committee Report of this Annual Report.

5. Communication with Stakeholders

The Company refers to AMLR of Bursa Securities as a fundamental basis for the ongoing disclosure and announcement to Bursa Securities. The Board is advised by Management, Company Secretary, the External Auditors and Advisors on the contents and timing of disclosure of the financial results and various announcements in accordance with the AMLR.

The Board is committed in providing accurate, useful and timely information about the Company, its business and its activities. Realising the importance of timely and thorough dissemination of material information to the shareholders, investors and the public at large, the Company maintains an open communication policy with its shareholders, investors and public at large and welcome feedback from them.

The Group's information is disseminated through various disclosures and announcements made to Bursa Securities.

5.1 Integrated Reporting

The nature and pace of change in businesses today have evolved over time and stakeholders are now placing greater emphasis on the future performance and non-financial information of a company. In tandem with the growing demand, the Company would consider adopting integrated reporting in the near future.

5.2 Conduct of General Meetings

5.2.1 Notice of general meeting

The Board recognises the rights of shareholders. In order to continue encouraging shareholders participation in the general meetings, the Board would ensure that the Notice of AGM is sent to shareholders at least twenty-eight (28) days ahead of the date of general meeting and to provide sufficient time and opportunities for shareholders to seek clarifications during general meetings on any matters pertaining to the issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the operational and financial performance of the Company.

5.2.2 Attendance of Directors at general meetings

The AGM is the key element of the Company's dialogue with its shareholders. During the AGM, shareholders are encouraged to ask questions about the resolutions being proposed, about the Company's operations in general or about the annual reports of the Company and of the Group. All the Directors, Key Senior Management and External Auditors are available in the AGM to provide responses to questions from the shareholders.

The Chairman plays a vital role in fostering constructive dialogue between the Board and the shareholders. All the members of the Board and the respective Chairman of the Board's Committees are present at the meetings to address queries raised by the shareholders which are relevant to their areas of responsibility.

5. Communication with Stakeholders (Cont'd)

5.2 Conduct of General Meetings (Cont'd)

5.2.3. Voting

In the event that shareholders are unable to attend the AGM in person, they are encouraged to appoint one (1) or up to two (2) proxies to attend and vote in his/her stead. The outcome of the meeting is announced to Bursa Securities on the same day, which is also accessible on the Company's website.

The Company conducts a poll voting on each resolution tabled during the general meetings to support shareholders' participation. As the number of shareholders of the Company is not large, the Company currently conducts a manual poll voting instead of electronic poll voting. With the poll voting, each shareholder present in person or represented by proxy at the general meeting will be entitled to vote on a one-share, one-vote basis. At least one (1) Independent scrutineer is appointed to validate the votes cast at the meeting.

6. COMPLIANCE STATEMENT

The Board confirms that the Group has made significant effort to maintain high standards of corporate governance throughout the year under review. The Board acknowledges that achieving good in corporate governance is a continuous process and is committed to play a pro-active role in steering the Group towards the highest level of integrity and ethical standards.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 29 June 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance ("MCCG") emphasises the importance of maintaining a sound system of risk management and internal control to safeguard shareholders' investments, the Group's assets and the interests of other stakeholders.

In line with this, the Board of Directors ("Board") is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 28 February 2026 ("FYE2026"). This Statement outlines the nature and scope of the Group's risk management and internal control systems and provides an overview of the processes established to identify, evaluate, monitor and manage risks within the Group.

The preparation of this Statement is undertaken in accordance with Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control and for reviewing its adequacy and effectiveness in safeguarding shareholders' investments, the Group's assets and stakeholders' interests.

The Board recognises that risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, these systems can only provide reasonable and not absolute assurance against material misstatement, fraud, loss or irregularity.

In discharging its responsibilities, the Board is assisted by the Audit Committee ("AC"), which reviews the adequacy and effectiveness of the Group's risk management and internal control systems. Significant matters relating to risk management and internal control identified by Management, Internal Auditors and External Auditors are deliberated by the AC and reported to the Board for consideration and appropriate action.

The Board remains committed to continuously enhancing the Group's governance framework, risk management practices and internal control processes to ensure that they remain relevant and effective in supporting the Group's strategic objectives.

During FYE2026, the Board, supported by the Audit Committee, Nomination Committee and Remuneration Committee, continued to oversee the Group's governance, risk management and internal control matters through regular meetings and reporting mechanisms.

RISK MANAGEMENT FRAMEWORK

The Board is assisted by the Audit Committee in overseeing and monitoring the effectiveness of the Group's risk management system. The responsibility for identifying, evaluating, managing and monitoring significant business risks is delegated to Management, led by the Executive Directors and supported by the respective Heads of Departments.

The Group has established a risk management framework to facilitate the systematic identification, assessment, management and monitoring of risks that may affect the achievement of its strategic and operational objectives. The framework seeks to safeguard shareholders' investments, protect the Group's assets and support sustainable business growth.

The Group's principal operating subsidiary, Microlead Precision Technology Sdn. Bhd. ("MPT"), maintains an ISO 9001:2015 certified Quality Management System ("QMS"), which incorporates risk-based thinking, operational controls, internal audit procedures and management review mechanisms. Risks are documented, assessed and monitored through risk registers and periodic management reviews to ensure that appropriate mitigation measures remain effective.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT FRAMEWORK(CONT'D)

The key processes of the Group's risk management framework are as follows:

RISK IDENTIFICATION

- ✓ Identify significant risks affecting strategic, operational, financial and compliance objectives.
- ✓ Sources include management reviews, operational assessments, audit findings, historical incidents and changes in the business environment.

RISK ASSESSMENT / EVALUATON

- ✓ Assess risks based on likelihood and potential impact.
- ✓ Prioritise risks using established risk parameters.

RISK MITIGATION

- ✓ Implement controls, action plans and mitigation measures.
- ✓ Risk owners are responsible for execution and effectiveness.

RISK MONITORING

- ✓ Monitor risk exposure and control effectiveness.
- ✓ Report significant developments and emerging risks to the Audit Committee and Board.

INTERNAL AUDIT FUNCTION

The Board recognises the importance of an independent and adequately resourced internal audit function in supporting the effectiveness of the Group's risk management and internal control systems.

For FYE2026, the Group engaged YC Consultancy, an independent professional consulting firm, to provide internal audit services. The internal auditors report directly to the Audit Committee, thereby maintaining their independence and objectivity in carrying out their responsibilities.

The internal audit function adopts a risk-based approach in evaluating the adequacy and effectiveness of the Group's governance, risk management and internal control processes. Internal audit activities include reviews of key operational and financial processes, evaluation of internal controls and recommendations for improvement where appropriate.

During FYE2026, the internal audit review identified several areas for improvement relating to procurement, payment authorisation and supplier management processes. Management has undertaken corrective actions and implementation of the agreed action plans is being monitored by the Audit Committee.

The Board is of the view that the internal audit function continues to provide an independent assessment of the adequacy and effectiveness of the Group's risk management and internal control systems and assists the Audit Committee in discharging its oversight responsibilities.

In addition to the internal audit reviews performed during the financial year, MPT successfully maintained its ISO 9001:2015 certification following an independent surveillance audit conducted by Intertek in March 2026. The audit reported no non-conformities and confirmed the continued effectiveness of the Quality Management System. The Board views this as an additional layer of assurance supporting the Group's operational controls and quality management processes.

The total cost incurred for the internal audit function for FYE2026 amounted to RM8,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF INTERNAL CONTROL

The Board has established an organisational structure with clearly defined lines of responsibility, authority and accountability to facilitate effective oversight and decision-making throughout the Group.

The key elements of the Group's internal control system include the following:

Element	Description
Organisational Structure & Delegation of Authority	Defined reporting lines, responsibilities and authority limits to support accountability and effective decision-making
Policies & Procedures	Established policies and operational guidelines reviewed periodically to strengthen controls and address emerging risks
Performance Monitoring & Management Review	Board and Committee oversight through regular meetings to review performance, strategy and key risks. During FYE2026: • Board of Directors – 5 meetings • Audit Committee – 5 meetings • Nomination Committee – 3 meetings • Remuneration Committee – 2 meetings
Ethical Conduct & Compliance	Code of Conduct, anti-bribery and anti-corruption practices reinforced through regular communication
Fraud Prevention & Whistleblowing	Reporting channels maintained and no fraud, bribery, corruption or whistleblowing incidents reported during FYE2026
Regulatory Compliance	Ongoing monitoring of applicable laws and regulations with no material breaches reported during FYE2026

ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Executive Directors and senior management that the Group's risk management and internal control systems have operated adequately and effectively throughout FYE2026.

Management has further confirmed that no material control failures, fraud, corruption, misconduct, whistleblowing incidents or regulatory breaches were identified during the financial year that would have materially affected the Group's operations or financial performance.

The Board remains committed to continuously strengthening and enhancing the Group's risk management and internal control systems to ensure that they remain relevant, effective and responsive to evolving business risks and regulatory expectations.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control.

The review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report, issued by the Malaysian Institute of Accountants.

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

AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems. Accordingly, the External Auditors do not provide assurance on the effectiveness of the Group's risk management and internal control framework.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

CONCLUSION

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control systems for FYE2026 and is satisfied that the systems in place are adequate and effective in safeguarding the Group's assets, supporting the achievement of business objectives and protecting shareholders' interests.

There were no material losses incurred during the financial year arising from significant deficiencies in the Group's risk management and internal control systems. In addition, the Group's principal operating subsidiary successfully maintained its ISO 9001:2015 certification following an independent surveillance audit, which reported no non-conformities and confirmed the continued effectiveness of its quality management system.

During FYE2026, no material fraud, misconduct, whistleblowing reports or regulatory breaches were reported to the Board.

The Board and Management remain committed to continuously improving the Group's governance, risk management and internal control practices to support the achievement of the Group's strategic objectives and safeguard shareholders' investments.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 29 June 2026.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

The Board of Directors of MQ Technology Berhad ("**MQ**", "**the Group**", "**we**", "**our**" or "**us**") is pleased to present the Sustainability Statement for the financial year ended 28 February 2026 ("FY2026").

This Statement outlines the Group's commitment towards integrating Economic, Environmental, Social and Governance ("**EESG**") considerations into its business operations and decision-making processes. The Group recognises that sustainable business practices are essential for long-term value creation and remains committed to balancing economic performance with responsible environmental stewardship, social well-being and sound corporate governance.

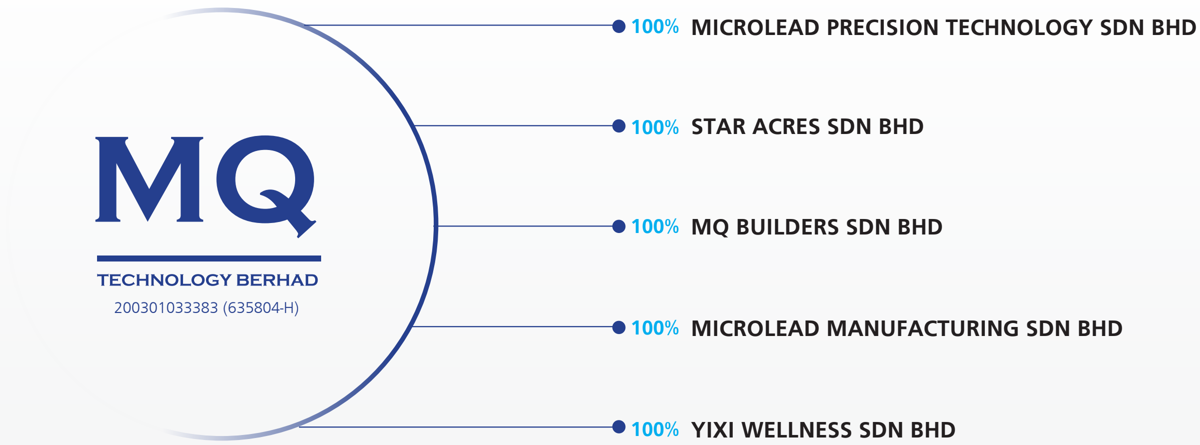
Through its EESG approach, the Group seeks to create sustainable value for stakeholders while managing the risks and opportunities arising from an evolving business and sustainability landscape.

MQ is principally an investment holding company, while its principal subsidiary is engaged in the manufacturing of moulds, tools, dies, jigs and fixtures serving customers primarily within the hard disk drive ("**HDD**") industry. Accordingly, the sustainability disclosures presented in this Statement are focused mainly on the Group's manufacturing operations located in Penang, Malaysia.

REPORTING PERIOD, SCOPE AND BOUNDARIES

This Sustainability Statement covers the period from 1 March 2025 to 28 February 2026 ("FY2026"), unless otherwise stated.

The reporting scope covers MQ Technology Berhad and its subsidiaries ("the Group"), comprising Microlead Precision Technology Sdn. Bhd., Microlead Manufacturing Sdn. Bhd., Star Acres Sdn. Bhd., Yixi Wellness Sdn. Bhd. and MQ Builders Sdn. Bhd.



The Group consists of five subsidiaries operating under MQ Technology Berhad. During FY2026, Microlead Precision Technology Sdn. Bhd. ("MPT") remained the Group's principal operating subsidiary and accounted for substantially all operational activities, sustainability impacts, risks and opportunities. The remaining subsidiaries were either dormant or had limited operational activities during the reporting period.

REPORTING FRAMEWORKS AND STANDARDS

This Statement has been prepared in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and with reference to the Sustainability Reporting Guide and Toolkits (3rd Edition) issued by Bursa Malaysia Securities Berhad.

The Group continues to align its sustainability practices with the principles of responsible business conduct and supports the broader objectives of the United Nations Sustainable Development Goals ("UNSDGs") where relevant to its operations and stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

STATEMENT OF ASSURANCE

The Board acknowledges its responsibility for the accuracy and completeness of the sustainability information presented in this Statement.

The sustainability information disclosed herein has been compiled based on internally generated records, operational reports and management information available during FY2026. The Board has reviewed and approved this Sustainability Statement and believes that it fairly represents the Group's sustainability performance, initiatives and commitments for the financial year under review.

SUSTAINABILITY COMMITMENT

MQ remains committed to conducting its business responsibly while creating sustainable value for shareholders and other stakeholders. Guided by its Economic, Environmental, Social and Governance ("EESG") framework, the Group integrates sustainability considerations into its business strategies, operational activities and decision-making processes.

The Group's sustainability priorities are organised around four key pillars, which collectively support long-term business resilience, stakeholder value creation and sustainable growth.

SUSTAINABLE FRAMEWORK

Economic	Environmental	Social	Governance
• Product Quality • Customer Satisfaction • Operational Excellence • Business Sustainability	• Energy Management • Water Management • Waste Management • Environmental Compliance	• Employee Welfare • Workplace Safety • Training & Development • Diversity & Inclusion	• Business Ethics • Regulatory Compliance • Transparency • Accountability • Risk Management

The Group will continue to strengthen its sustainability practices and disclosures in line with evolving stakeholder expectations, regulatory developments and business requirements, while supporting sustainable long-term growth.

SUSTAINABILITY GOVERNANCE

MQ recognises that effective sustainability governance is essential in supporting long-term business resilience and creating sustainable value for stakeholders. The Group's sustainability governance framework is designed to ensure that sustainability considerations are integrated into strategic planning, risk management, operational decision-making and corporate governance practices.

The Board of Directors has overall responsibility for overseeing the Group's sustainability agenda and ensuring that material Economic, Environmental, Social and Governance ("EESG") matters are appropriately identified, evaluated and managed. The Board is supported by the Audit & Risk Management Committee, Executive Director and Management Team in monitoring sustainability-related risks, opportunities and performance.

The Group's sustainability governance structure is illustrated below:

SUSTAINABILITY GOVERNANCE STRUCTURE

SUSTAINABILITY STATEMENT (CONT'D)

The key roles and responsibilities within the Group's sustainability governance framework are outlined below:

Governance Level	Roles & Responsibilities
Board of Directors	➢ Provides overall oversight of the Group's sustainability strategy, performance and disclosures. ➢ Reviews and approves material sustainability matters, priorities and targets. ➢ Ensures sustainability considerations are integrated into the Group's strategic planning and decision-making processes. ➢ Oversees the management of sustainability-related risks and opportunities.
Board Committees	➢ Supports the Board in overseeing sustainability-related governance, risk management and compliance matters. ➢ Reviews the adequacy and effectiveness of internal control and risk management systems. ➢ Assists the Board in evaluating sustainability-related risks, opportunities and governance practices. ➢ Provides recommendations to the Board on matters within their respective areas of responsibility.
Executive Directors	➢ Provides leadership in implementing the Group's sustainability strategy and initiatives. ➢ Ensures sustainability objectives are aligned with business priorities and operational requirements. ➢ Monitors the progress of sustainability initiatives and reports significant developments to the Board. ➢ Promotes sustainability awareness and accountability across the organisation.
Chief Financial Officer	➢ Oversees the collection, monitoring and reporting of sustainability-related data and performance indicators. ➢ Coordinates the preparation of sustainability disclosures and reporting requirements. ➢ Supports the integration of sustainability considerations into financial planning, risk management and business operations. ➢ Monitors sustainability targets and recommends improvement initiatives where appropriate.
Head of Department	➢ Implements sustainability initiatives and policies within their respective departments. ➢ Monitors operational performance against sustainability objectives and targets. ➢ Identifies sustainability-related risks, opportunities and improvement areas. ➢ Supports stakeholder engagement, data collection and continuous improvement activities.

Through this governance structure, sustainability considerations are embedded across the Group's operations, supporting transparency, accountability and the creation of long-term value for stakeholders. The Group remains committed to continuously strengthening its sustainability governance practices through ongoing improvements in ESG awareness, performance monitoring, data management and stakeholder engagement.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

The Group recognises that effective stakeholder engagement is essential in understanding the expectations, concerns and priorities of those who influence, or are affected by, our business operations. Through regular engagement with key stakeholder groups, the Group is able to identify material sustainability matters, strengthen business relationships and support informed decision-making.

Stakeholder engagement forms an important component of the Group's sustainability management approach. Feedback gathered from stakeholders assists the Group in evaluating sustainability risks and opportunities, assessing the significance of sustainability matters, and ensuring that business strategies remain aligned with stakeholder expectations.

The Group's principal stakeholders include employees, customers, suppliers, shareholders and investors, financial institutions, government and regulatory authorities, and the local community.

The table below summarises the Group's key stakeholder groups, their areas of interest, corresponding material matters and the engagement methods adopted during FY2026.

Stakeholder Group	Key Areas of Interest	Material Matters	Engagement Methods
Employees	➢ Employee welfare ➢ Workplace safety ➢ Training & development ➢ Career progression ➢ Work-life balance	➢ Employee Training & Development ➢ Occupational Safety & Health ➢ Employee Engagement	➢ Performance appraisals ➢ Training programmes ➢ Internal meetings ➢ Employee engagement activities ➢ Regular communications
Customers	➢ Product quality ➢ Customer satisfaction ➢ Delivery performance ➢ Business continuity ➢ Responsiveness	➢ Product Quality & Customer Satisfaction	➢ Customer meetings ➢ Site visits ➢ Customer satisfaction surveys ➢ Written correspondence ➢ Quality assurance reviews
Suppliers	➢ Supply chain continuity ➢ Procurement practices ➢ Payment terms ➢ Long-term business relationships	➢ Supply Chain Management	➢ Supplier meetings ➢ Site visits ➢ Business discussions ➢ Operational planning communications
Shareholders & Investors	➢ Financial performance ➢ Business strategy ➢ Corporate governance ➢ Sustainability performance	➢ Product Quality & Customer Satisfaction ➢ Business Ethics & Regulatory Compliance	➢ Annual reports ➢ Bursa announcements ➢ Annual General Meetings ➢ Corporate disclosures
Financial Institutions	➢ Financial stability ➢ Business performance ➢ Creditworthiness	➢ Business Ethics & Regulatory Compliance	➢ Regular meetings ➢ Financial reporting ➢ Ongoing communications
Government & Regulatory Authorities	➢ Regulatory compliance ➢ Environmental requirements ➢ Workplace safety ➢ Industry standards	➢ Business Ethics & Regulatory Compliance ➢ Waste Management ➢ Energy Management	➢ Statutory submissions ➢ Audits ➢ Inspections ➢ Industry briefings ➢ Regulatory engagements
Local Community	➢ Employment opportunities ➢ Environmental stewardship ➢ Community development	➢ Waste Management ➢ Energy Management	➢ Local hiring practices ➢ Engagement with local suppliers ➢ Participation in community-related initiatives where appropriate

The Group remains committed to maintaining open, transparent and constructive communication with stakeholders. Insights obtained through these engagements are incorporated into the Group's materiality assessment process and considered when evaluating sustainability priorities, managing risks and opportunities, and developing initiatives that support the Group's long-term sustainability objectives.

MATERIALITY ASSESSMENT

The Group recognises that sustainability matters have the potential to influence business performance, stakeholder confidence and long-term value creation. Accordingly, the Group undertakes a materiality assessment process to identify and prioritise the sustainability matters that are most relevant to its business operations and stakeholders.

The materiality assessment was conducted through management discussions, stakeholder engagement activities, operational reviews, and consideration of industry-specific sustainability risks, opportunities and regulatory developments.

Factors considered in the assessment include the significance of each matter to stakeholders, its potential impact on the Group's business operations and sustainability performance, applicable regulatory requirements, and alignment with the Group's long-term strategic objectives.

The materiality assessment process adopted by the Group is summarised below:

IDENTIFICATION

Sustainability matters were identified based on stakeholder feedback, operational considerations, industry benchmarking, regulatory developments and Bursa Malaysia's Sustainability Reporting Guide.

ASSESSMENT AND PRIORITISATION

The identified sustainability matters were evaluated and prioritised based on their significance to stakeholders and their potential impact on the Group's business performance and sustainability objectives.

VALIDATION AND REVIEW

Management reviewed the results of the assessment to ensure that the identified material matters appropriately reflect the Group's operational priorities, stakeholder expectations and sustainability commitments.

CONTINUOUS MONITORING

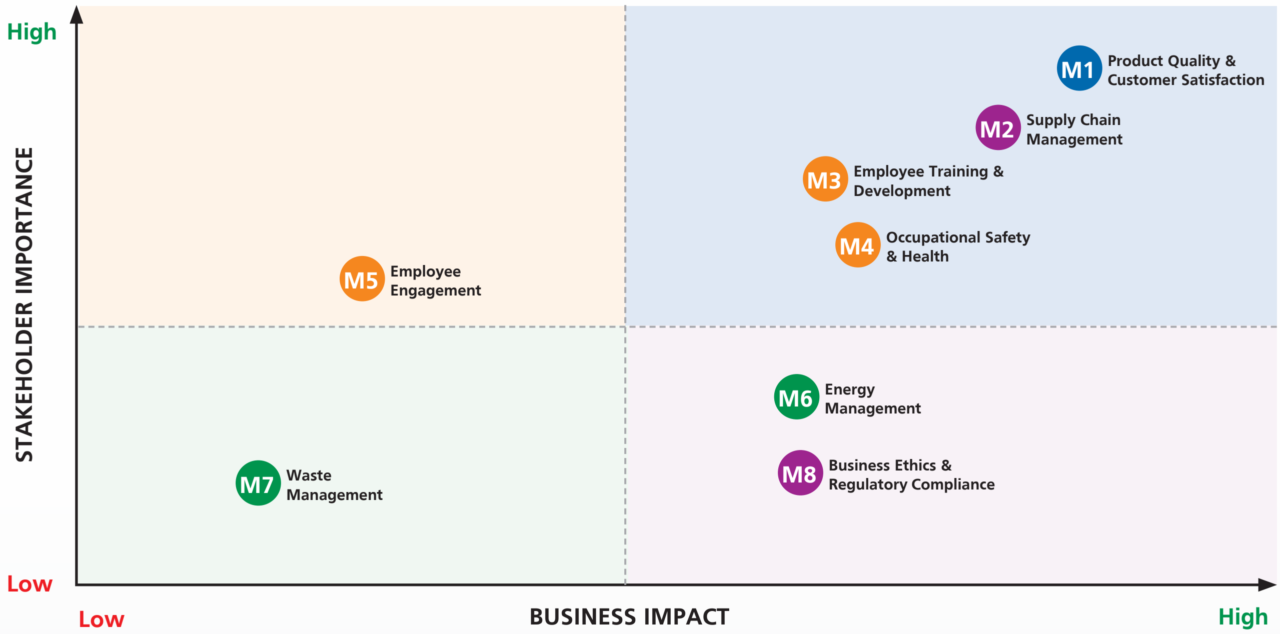
The Group will periodically review and update its material matters to ensure continued relevance in response to changes in the business environment, stakeholder expectations and regulatory requirements.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS

Following the materiality assessment process, the Group identified eight material sustainability matters that are most relevant to its business operations and stakeholders. The materiality matrix below illustrates the relative significance of these matters based on stakeholder importance and business impact.

MATERIALITY MATRIX



ECONOMIC	GOVERNANCE	SOCIAL	ENVIRONMENTAL
M1 Product Quality & Customer Satisfaction	M2 Supply Chain Management	M3 Employee Training & Development	M6 Energy Management
	M8 Business Ethics & Regulatory Compliance	M4 Occupational Safety & Health	M7 Waste Management
		M5 Employee Engagement	

Note: Positioning of matters is based on internal assessment of stakeholder importance and business impact.

Product Quality & Customer Satisfaction and Supply Chain Management were identified as the Group's most significant material matters due to their direct influence on operational performance, customer retention, production continuity and long-term business sustainability.

Employee-related matters, including Training & Development, Occupational Safety & Health and Employee Engagement, remain important priorities given the Group's reliance on skilled personnel and its commitment to maintaining a safe, productive and inclusive workplace.

Environmental matters, namely Energy Management and Waste Management, continue to be monitored to support responsible resource utilisation and compliance with applicable environmental requirements. Business Ethics & Regulatory Compliance underpin the Group's governance framework and support ethical business conduct, transparency and accountability across its operations.

SUSTAINABILITY STATEMENT (CONT'D)

RISK MANAGEMENT

The Group recognises that sustainability-related risks and opportunities may affect business continuity, operational performance and long-term value creation. Sustainability considerations are therefore incorporated into the Group's risk management and decision-making processes to ensure that emerging risks are appropriately managed while opportunities for improvement and growth are identified.

The key sustainability-related risks, opportunities and management approaches associated with the Group's material sustainability matters are summarised below.

Code	Material Matter	Key Risks	Opportunities	Management Approach
M1	**Product Quality & Customer Satisfaction**	Product defects, quality failures or inability to meet customer expectations may result in customer complaints, loss of business and reputational damage.	Consistent product quality and high customer satisfaction strengthen customer relationships, improve retention and support long-term business growth.	Maintain ISO 9001:2015 Quality Management System, conduct quality inspections, monitor customer feedback and implement corrective actions where necessary.
M2	**Supply Chain Management**	Supplier disruptions, material shortages, delivery delays or quality issues may affect production schedules and customer commitments.	Strong supplier relationships and effective procurement practices support operational continuity and production efficiency.	Maintain regular communication with suppliers, monitor supplier performance and identify alternative suppliers where appropriate.
M3	**Employee Training & Development**	Insufficient training may affect productivity, product quality and operational effectiveness.	Continuous learning enhances employee competency, operational performance and adaptability to changing business requirements.	Provide technical and operational training programmes and encourage employee skills development.
M4	**Occupational Safety & Health**	Workplace accidents or unsafe working conditions may result in injuries, operational disruptions and regulatory non-compliance.	A safe workplace supports employee well-being, productivity and business continuity.	Conduct regular safety inspections, maintain safety procedures and promote workplace safety awareness.
M5	**Employee Engagement**	Low employee engagement may affect morale, productivity and workforce stability.	An engaged workforce contributes to higher productivity, stronger teamwork and improved organisational performance.	Maintain open communication, provide employee benefits and support employee welfare initiatives.
M6	**Energy Management**	Rising energy costs and inefficient energy consumption may increase operating costs and environmental impact.	Improved energy efficiency can reduce costs and enhance environmental performance.	Monitor electricity consumption, promote energy-saving practices and evaluate opportunities for efficiency improvements.
M7	**Waste Management**	Improper waste handling may lead to regulatory non-compliance, environmental impacts and reputational risks.	Effective waste management and recycling practices support environmental sustainability and operational efficiency.	Segregate and dispose scheduled waste through licensed contractors and promote recycling initiatives where practicable.
M8	**Business Ethics & Regulatory Compliance**	Non-compliance with laws, regulations or ethical standards may result in penalties, legal liabilities and reputational damage.	Strong governance practices enhance stakeholder confidence and support sustainable business growth.	Maintain internal policies and procedures, monitor regulatory developments and promote ethical business conduct throughout the organisation.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

M1 - PRODUCT QUALITY & CUSTOMER SATISFACTION

MQ Technology Berhad ("**MQ**" or "**the Group**") remains committed to delivering high-quality products and maintaining strong customer relationships through continuous improvement, operational excellence and adherence to internationally recognised quality standards.

As a precision engineering manufacturer serving customers primarily within the hard disk drive ("**HDD**") industry, product quality, delivery reliability and customer satisfaction remain critical factors influencing the Group's long-term business sustainability and competitiveness.

The Group maintains an ISO 9001:2015 Quality Management System ("**QMS**") to ensure that products consistently meet customer specifications and regulatory requirements. During FY2026, the Group continued to strengthen its quality management practices through regular monitoring of operational performance, customer feedback, quality inspections and corrective action initiatives.

The Group measures its performance through several key indicators, including customer satisfaction, on-time delivery performance, internal rejection rates and customer corrective action requests.

Customer Satisfaction

Customer satisfaction remains a key indicator of the Group's ability to meet customer expectations and deliver quality products and services.

In line with its Quality Management System, the Group conducts periodic customer satisfaction surveys to obtain feedback on product quality, service performance, delivery reliability and overall customer experience. The results are reviewed by Management and used to identify opportunities for continuous improvement.

Based on the latest customer satisfaction survey conducted in December 2025, the Group achieved an overall customer satisfaction score of 88.10%, exceeding its internal target of 80.00%. This represents a slight improvement from 87.95% recorded in December 2024, reflecting the Group's continued commitment to maintaining high standards of product quality and customer service.

Customer Satisfaction Survey	FY2026	FY2025
Overall Customer Satisfaction Score	88.10%	87.95%

Customer Satisfaction Survey FY2026 FY2025

Among the key assessment categories, Service Rating and Delivery Lead Time achieved the highest scores of 91.67%, demonstrating the Group's ability to provide responsive customer support and reliable delivery performance. Product Rating recorded a score of 86.11%, indicating continued customer confidence in the quality of the Group's products.

Customer Satisfaction by Major Customer	
Customer	**Satisfaction Score**
Magnecomp Precision Technology	83.93%
Plexus	91.07%
Bruker	89.29%
Average Score	**88.10%**
Customer Satisfaction Breakdown	
Indicator	**Result**
Product Rating	86.11%
Service Rating	91.67%
Pricing	83.33%
Delivery Lead Time	91.67%
Others Satisfaction Factors	83.33%

The Group will continue to engage closely with customers, monitor feedback and implement improvement initiatives to enhance customer satisfaction and strengthen long-term business relationships.

On-Time Delivery Performance

Timely delivery is a critical component of customer satisfaction and operational excellence. The Group continuously monitors its On-Time Delivery ("**OTD**") performance to ensure customer requirements are met and that products are delivered within agreed timelines.

For FY2026, the Group achieved an OTD rate of 98.73%, exceeding its internal target of 95.00% and improving from 97.61% recorded in FY2025. During the year, the Group successfully delivered 16,597 units on time out of a total production output of 16,811 units.

Metric	FY2026	FY2025	Change
Production Output (units)	16,811	11,328	▲+48.4%
On-Time Deliveries (units)	16,597	11,057	▲ +50.1%
OTD Rate	98.73%	97.61%	▲+1.12%

The improvement in delivery performance was achieved despite a significant increase in production output, reflecting the effectiveness of the Group's production planning, operational coordination and supply chain management practices.

The Group remains committed to maintaining high delivery reliability through continuous monitoring of production schedules, close coordination with suppliers and customers, and ongoing process improvement initiatives to support customer satisfaction and long-term business relationships.

Product Quality Performance

Product quality remains a key priority for the Group, particularly given the precision requirements of the hard disk drive ("**HDD**") industry. The Group continues to monitor internal rejection rates as part of its quality management and continuous improvement process.

For FY2026, the Group recorded an internal rejection rate of 1.27%, compared to 2.31% in FY2025. This represents a 45.0% reduction in the internal rejection rate, while production output increased by 48.40% from 11,328 units in FY2025 to 16,811 units in FY2026.

Metric	FY2026	FY2025	Change
Production Output (units)	16,811	11,328	▲ +48.4%
Internal Rejections (units)	213	262	▼-18.70%
Internal Rejection Rate	1.27%	2.31%	▼-45.0%

The improvement in the internal rejection rate reflects the effectiveness of the Group's quality control procedures, production monitoring and corrective action initiatives. Despite the higher production volume during FY2026, the Group was able to reduce both the number of internal rejections and the overall rejection rate.

The Group will continue to strengthen its quality management practices through regular monitoring, root cause analysis and continuous improvement initiatives to minimise defects, enhance production efficiency and maintain customer confidence.

SUSTAINABILITY STATEMENT (CONT'D)

Customer Complaints / External Corrective Action Requests

The Group monitors customer complaints and External Corrective Action Requests ("**CARs**") as part of its commitment to product quality, customer satisfaction and continuous improvement. All external quality issues are reviewed and addressed through the Group's corrective action process, which includes investigation, root cause analysis and implementation of appropriate improvement actions.

For FY2026, the Group recorded 14 External Corrective Action Request ("CAR") cases involving 25 customer rejection units, representing an external rejection rate of 0.15% based on total production output of 16,811 units. The external rejection rate remained significantly below the Group's internal threshold of 3.00%, indicating continued effectiveness of the Group's quality management and customer complaint handling processes.

Metric	FY2026
Production Output (units)	16,811
Customer Rejections (units)	25
External CAR Cases (No.)	14
External Rejection Rate	0.15%

The low external rejection rate reflects the Group's continued focus on quality assurance, production monitoring and customer responsiveness. Where customer complaints or CARs arise, the Group undertakes appropriate corrective actions to address the root cause and minimise recurrence.

The Group remains committed to strengthening its quality management practices and maintaining open communication with customers to support long-term customer confidence and satisfaction.

Quality Management and Operational Excellence (ISO 9001)

The Group remained compliant with applicable customer requirements, regulatory obligations and quality management standards throughout FY2026. The Group has maintained ISO 9001 certification since 2001 and successfully transitioned to ISO 9001:2015 in 2018. During FY2026, the Group successfully completed its annual surveillance audit in March 2026 with no major or minor findings reported. The audit confirmed the continued effectiveness of the Group's Quality Management System ("QMS") and its commitment to maintaining high standards of product quality, operational control and customer satisfaction.

ISO 9001 Quality Management System Performance	
Item	**Status**
Initial ISO 9001 Certification	Since 2001
Upgrade to ISO 9001:2015	2018
Surveilance Audit	Completed March 2026
Major Findings	None
Minor Findings	None
Corrective Actions Required	None
Overall Audit Result	No Action Required

The successful completion of the surveillance audit without any major or minor findings demonstrates the effectiveness of the Group's quality management practices and its continued commitment to operational excellence. The audit confirmed that the Group's Quality Management System remains adequately maintained and effectively implemented in supporting product quality, customer satisfaction and regulatory compliance.

Moving forward, the Group will continue to strengthen its quality culture through employee competency development, process improvement initiatives and ongoing monitoring of quality performance indicators to support sustainable business growth and customer confidence.

Operational and Technology Investments

During FY2026, the Group continued to invest in machinery, equipment and technology to support operational efficiency and production capability.

Capital Expenditure	Amount (RM)
Used Mitsui Precision Hi-Column Hand Feed Surface Grinder Machine	57,750
New Air-Cooled Industrial Chiller	19,000
Eight ASUS VivoBook Notebooks	18,828
Total	**95,578**

These investments were undertaken to support manufacturing operations, enhance equipment reliability, improve workplace productivity and strengthen the Group's operational capabilities.

GOVERNANCE

M2 - SUPPLY CHAIN MANAGEMENT

The Group recognises that an effective and reliable supply chain is essential to maintaining operational continuity, product quality and customer satisfaction. As a precision engineering manufacturer serving customers primarily within the hard disk drive ("**HDD**") industry, the Group relies on the timely supply of raw materials, components and supporting services to meet production requirements and delivery commitments.

The Group adopts a responsible procurement approach by working closely with suppliers and service providers to ensure the continuous availability of quality materials and services. Supplier selection and retention are based on various considerations, including product quality, reliability, delivery performance, technical capability, responsiveness and overall business requirements.

To support supply chain resilience, the Group maintains regular engagement with suppliers through business discussions, supplier meetings, site visits and ongoing operational communications. These engagements allow the Group to communicate production requirements, discuss delivery schedules, address operational issues and strengthen long-term business relationships.

In addition, the Group continuously monitors supplier performance and maintains alternative suppliers where appropriate to minimise potential supply disruptions and support business continuity. This approach enables the Group to respond more effectively to changing operational requirements while ensuring production activities remain uninterrupted.

Supply Chain Management Approach	
Focus Area	**Approach**
Supplier Selection	Evaluation based on quality, reliability, delivery performance and business requirements
Supplier Engagement	Regular meetings, site visits, business discussions and operational communications
Supply Continuity	Ongoing monitoring of supplier performance and maintenance of alternative suppliers where appropriate
Product Quality	Collaboration with suppliers to ensure materials and services meet required specifications
Business Relationships	Development of long-term and mutually beneficial supplier partnerships

During FY2026, the Group did not experience any significant supply chain disruptions that materially affected its operations. The Group remains committed to strengthening supplier relationships, enhancing supply chain resilience and supporting sustainable business growth through responsible procurement practices.

M8 - BUSINESS ETHICS & REGULATORY COMPLIANCE

The Group believes that strong governance, ethical business conduct and regulatory compliance are fundamental to maintaining stakeholder confidence and supporting long-term business sustainability. MQ remains committed to conducting its business with integrity, accountability and transparency while ensuring compliance with applicable laws, regulations and industry standards.

The Group's governance framework is supported by established policies, internal controls and oversight mechanisms designed to promote ethical conduct, manage risks and ensure compliance with regulatory requirements. These measures assist the Group in safeguarding stakeholder interests and maintaining responsible business practices across its operations.

Business Ethics and Integrity

MQ continues to uphold a strong culture of integrity through its Code of Conduct and Ethics, which provides guidance to Directors and employees on expected standards of behaviour and professional conduct. The Code of Conduct and Ethics remains active and is regularly communicated to employees through quarterly meetings and ongoing management engagement sessions.

The Code covers various areas including regulatory compliance, conflict of interest, confidentiality, fair dealing, workplace conduct, asset protection, health and safety, as well as anti-bribery and anti-corruption practices. These principles support the Group's commitment to conducting business responsibly and ethically.

Regular discussions and meetings are conducted within the organisation to reinforce ethical business practices, address operational concerns and promote timely resolution of issues through appropriate corrective actions.

Anti-Bribery, Corruption and Misconduct

The Group adopts a zero-tolerance approach towards bribery, corruption, fraud and other forms of misconduct. The Group's anti-bribery and anti-corruption practices remain in place and continue to provide guidance to employees and management in conducting business ethically and responsibly.

During FY2026, no incidents relating to fraud, bribery, corruption or misconduct were reported.

Anti-Bribery, Corruption and Misconduct Performance	
Indicator	**FY2026**
Confirmed Bribery Cases	0
Confirmed Corruption Cases	0
Fraud / Misconduct Cases	0

The absence of reported incidents reflects the Group's continued commitment to maintaining high standards of integrity and ethical conduct across all levels of the organisation.

Whistleblowing and Regulatory Compliance

The Group maintains a Whistleblowing Policy which provides employees and stakeholders with a confidential channel to report suspected misconduct, unethical behaviour or breaches of company policies.

The Policy supports a culture of openness, transparency and accountability while providing protection against retaliation for whistleblowers acting in good faith.

During FY2026, no whistleblowing reports were received and no significant breaches of applicable laws, regulations or listing requirements were recorded.

Compliance Performance	
Indicator	**FY2026**
Whistleblowing Reports	0
Regulatory Breaches	0
Compliance Cases	0
Internal Audit Conducted	Yes

The Group remains committed to maintaining effective internal controls and compliance monitoring processes to ensure ongoing adherence to applicable legal and regulatory requirements.

Governance Oversight

The Board of Directors is responsible for overseeing the Group's governance practices, risk management framework and sustainability agenda. Day-to-day coordination and monitoring of sustainability matters are supported by the Senior Manager of Microlead Precision Technology Sdn. Bhd., who serves as the Group's designated sustainability coordinator and facilitates the collection, monitoring and reporting of sustainability-related information. The Board is supported by various Board Committees in carrying out its oversight responsibilities.

During FY2026, the following Board and Committee meetings were conducted:

Governance Activities	
Governance Activity	**FY2026**
Board Meetings	5
Audit Committee Meetings	5
Nomination Committee Meetings	3
Remuneration Committee Meetings	2

The regular conduct of Board and Committee meetings enables the Group to review business performance, monitor key risks, evaluate governance matters and support informed decision-making. The Group will continue to strengthen its governance practices to ensure accountability, transparency and long-term sustainable value creation.

SOCIAL

M3 - EMPLOYEE TRAINING & DEVELOPMENT

The Group recognises that the knowledge, skills and capabilities of its employees are critical to maintaining product quality, operational efficiency and long-term business sustainability. As a precision engineering manufacturer serving customers within the hard disk drive ("HDD") industry, the Group remains committed to developing a competent workforce through continuous learning and skills enhancement initiatives.

Training and development activities are planned based on operational requirements, regulatory developments and identified competency needs. Department heads are responsible for identifying training requirements within their respective functions, while Management monitors training activities to ensure employees remain equipped with the necessary knowledge and skills to perform their roles effectively.

During FY2026, the Group continued to provide various technical, operational, compliance and occupational safety-related training programmes covering areas such as software applications, e-Invoicing implementation, occupational safety and health, customs regulations and licensed manufacturing warehouse requirements. These programmes support employee competency development while enhancing operational effectiveness and regulatory compliance.

Training and Development Performance	
Metric	**FY2026**
Total Employees	84
Total Training Programmes Conducted	9
Total Training Hours Completed	91

The training programmes conducted during the year included:

Training Category	Key Areas Covered
Technical Training	Software systems and operational processes
Regulatory & Compliance Training	E-Invoicing, customs regulations and licensed manufacturing warehouse requirements
Occupational Safety & Health Training	Hearing conservation and OSH coordination
Operational Development	Industry updates and process improvement initiatives

The Group recorded a total of 91 training hours across nine training programmes during FY2026, demonstrating its continued commitment to employee development and lifelong learning. The training initiatives undertaken during the year contributed towards strengthening employee competencies, supporting regulatory compliance requirements and enhancing operational effectiveness across the organisation.

Moving forward, the Group will continue to invest in employee development by providing relevant training opportunities that support individual growth, operational excellence and the achievement of the Group's long-term business objectives.

M4 - OCCUPATIONAL SAFETY & HEALTH

The Group is committed to providing a safe, healthy and conducive working environment for all employees. As a manufacturing organisation operating precision engineering facilities, occupational safety and health ("**OSH**") remain fundamental to the Group's operations and long-term sustainability.

The Group continues to comply with applicable occupational safety and health requirements and maintains workplace safety practices designed to prevent accidents, minimise occupational risks and promote employee well-being. Workplace safety is supported through established safety procedures, regular workplace inspections, employee awareness programmes and continuous monitoring of operational activities.

The Safety Committee continues to play an important role in promoting workplace safety and ensuring compliance with relevant safety requirements. During FY2026, regular safety inspections and reviews were conducted to identify potential hazards, monitor workplace conditions and implement corrective actions where necessary.

The Group also continued to maintain various workplace safety measures, including:

- ✓ Regular workplace safety inspections and monitoring
- ✓ Enforcement of safety procedures and work instructions
- ✓ Provision and usage of personal protective equipment ("PPE")
- ✓ Monitoring of workplace health and safety conditions
- ✓ Occupational safety and health related training programmes

Occupational Safety & Health Performance	
Metric	**FY2026**
Workplace Fatalities	0
Lost Time Injuries	0
Workplace Accidents	0

The Group is pleased to report that no workplace fatalities, lost time injuries or workplace accidents were recorded during FY2026. This achievement reflects the effectiveness of the Group's safety management practices, employee awareness and commitment towards maintaining a safe working environment.

The Group remains committed to strengthening its safety culture through continuous monitoring, employee participation and ongoing improvements to workplace safety practices. Moving forward, the Group will continue to promote safety awareness and maintain high occupational safety and health standards across its operations.

SUSTAINABILITY STATEMENT (CONT'D)

M5 - EMPLOYEE ENGAGEMENT

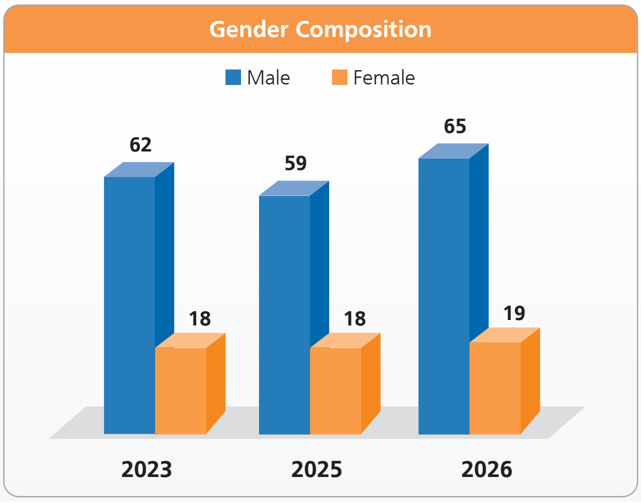
The Group believes that employee engagement is essential to maintaining a productive workforce, fostering a positive workplace culture and supporting long-term business success. MQ is committed to providing a fair, inclusive and supportive work environment where employees are treated with respect and provided with opportunities for personal and professional growth.

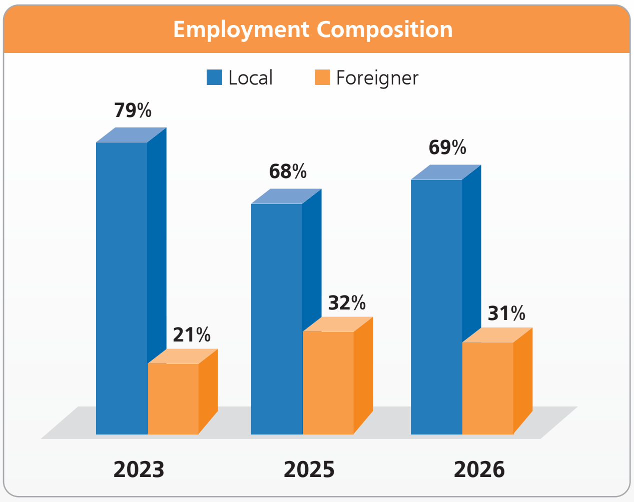
The Group continues to promote equal employment opportunities and maintains fair employment practices across its operations. No new diversity-related policies were introduced during FY2026; however, the Group continued to uphold its existing practices relating to diversity, equality and non-discrimination.

Workforce Diversity and Equality

The Group remains committed to fostering a diverse, inclusive and equitable workplace by providing equal employment opportunities regardless of gender, nationality, age, ethnicity or background. The Group believes that workforce diversity contributes to broader perspectives, stronger collaboration and improved organisational performance.

During FY2026, the Group continued to uphold its existing fair employment and non-discrimination practices. No new diversity-related policies were introduced during the year; however, Management remained committed to ensuring that recruitment, promotion and employment decisions were based on merit, competency and business requirements.
The Group's workforce diversity profile is presented below:





Gender	2023	2025	2026
Male	62	59	65
Female	18	18	19
Total	**80**	**77**	**84**

Employment	2023	2025	2026
Local	79%	68%	69%
Foreigner	21%	32%	31%
Total	**100%**	**100%**	**100%**

As at 28 February 2026, the Group employed a total workforce of 84 employees, comprising 65 male employees (77.4%) and 19 female employees (22.6%). The overall workforce composition remained relatively stable compared to previous years and reflects the operational requirements of the precision engineering and manufacturing industry.

The Group also maintained a balanced workforce comprising 58 local employees and 26 foreign employees. Local employees represented approximately 69.0% of the total workforce, demonstrating the Group's continued support for local employment opportunities while supplementing operational requirements through skilled foreign workers where necessary.

The Group remains committed to promoting diversity, fairness and equal employment opportunities across its operations. By fostering an inclusive workplace and providing equal access to employment and development opportunities, the Group seeks to build a capable workforce that supports its long-term business sustainability.

Employee Turnover

The Group monitors employee turnover as an indicator of workforce stability and employee engagement.

Employee Turnover Performance	
Metric	**FY2026**
Opening Workforce	77
New Hires	16
Resignation	9
Closing Workforce	84
Employee Turnover Rate	11.20%

The Group recorded an employee turnover rate of 11.2% during FY2026. The turnover rate remained within Management's expectations and reflects a relatively stable workforce environment. Management continues to focus on employee engagement, workplace communication and career development initiatives to support workforce retention and organisational stability.

Employee Benefits and Welfare

The Group continues to provide employee benefits in accordance with applicable employment legislation and internal policies. These benefits are intended to support employee well-being, work-life balance and financial security.

Employee Benefits	
Benefit	**FY2026**
Maternity Leave	98 days
Paternity Leave	7 days
Compassionate Leave	2 days
EPF Contributions for Foreign Employees	Implement from Oct 2025

During FY2026, the Group continued to provide maternity, paternity and compassionate leave benefits to eligible employees. In addition, mandatory Employees Provident Fund ("**EPF**") contributions for non-Malaysian employees were implemented from October 2025 in accordance with regulatory requirements.

In addition to statutory employee benefits, the Group continues to support employee engagement and welfare through annual salary reviews, training and development opportunities, employee gatherings and exposure to operational and industry-related activities where relevant. These initiatives support employee motivation, engagement and long-term retention.

Employee Relations

The Group is committed to maintaining a respectful and inclusive workplace that is free from discrimination, harassment and unfair treatment.

Employee Relations Performance	
Indicator	**FY2026**
Discrimination Cases	0
Harassment Cases	0

The Group is pleased to report that no cases of discrimination or workplace harassment were recorded during FY2026. The Group remains committed to fostering a positive workplace culture through open communication, mutual respect and fair employment practices.

Moving forward, the Group will continue to strengthen employee engagement through workforce development initiatives, employee well-being programmes and continuous improvements to workplace practices that support a motivated, capable and resilient workforce.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT

M6 - ENERGY MANAGEMENT

The Group recognises that responsible energy and resource management are important in supporting operational efficiency, cost management and environmental sustainability. As a precision engineering manufacturer, electricity and water are essential resources required to support daily manufacturing operations, machinery usage and facility management activities.

The Group continuously monitors resource consumption to better understand usage patterns, identify opportunities for efficiency improvements and support responsible resource management practices. Consumption data is reviewed periodically by Management as part of the Group's ongoing efforts to optimise operational performance and minimise unnecessary resource usage.

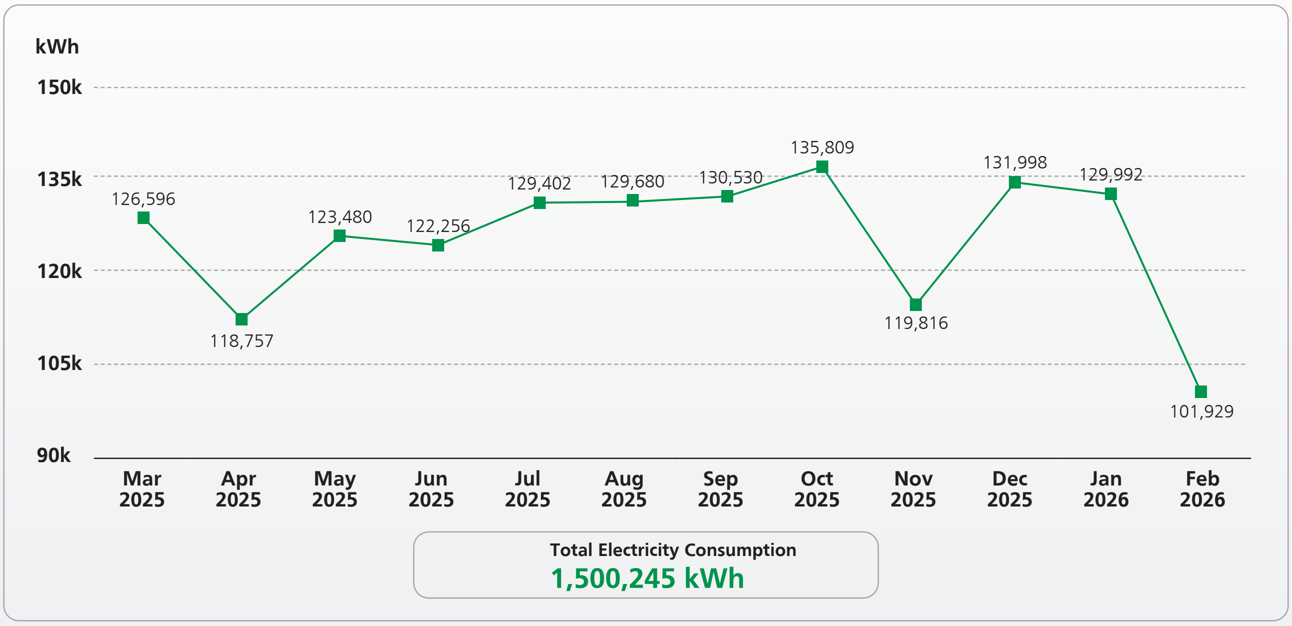
Electricity Consumption

Electricity remains the primary source of energy used across the Group's manufacturing and administrative operations.

Electricity Consumption Performance	
Metric	**FY2026**
Total Electricity Consumption	1,500,245 kWh
Average Monthly Consumption	125,020 kWh
Highest Consumption Month	October 2025
Highest Monthly Consumption	135,809 kWh
Lowest Consumption Month	February 2026
Lowest Monthly Consumption	101,929 kWh

Monthly Electricity Consumption

Electricity consumption (kWh) from March 2025 to February 2026.



Electricity consumption for FY2026 totalled 1,500,245 kWh. Consumption remained relatively stable throughout the reporting period, averaging approximately 125,020 kWh per month. The highest electricity consumption was recorded in October 2025 at 135,809 kWh, while the lowest consumption was recorded in February 2026 at 101,929 kWh.

The fluctuations in electricity consumption during the year were primarily influenced by production volumes, machine utilisation and operational requirements. Electricity consumption remained relatively consistent throughout the reporting period, reflecting the stable nature of the Group's manufacturing activities. The lower consumption recorded in February 2026 may be attributable to reduced production activities and operational requirements during the month.

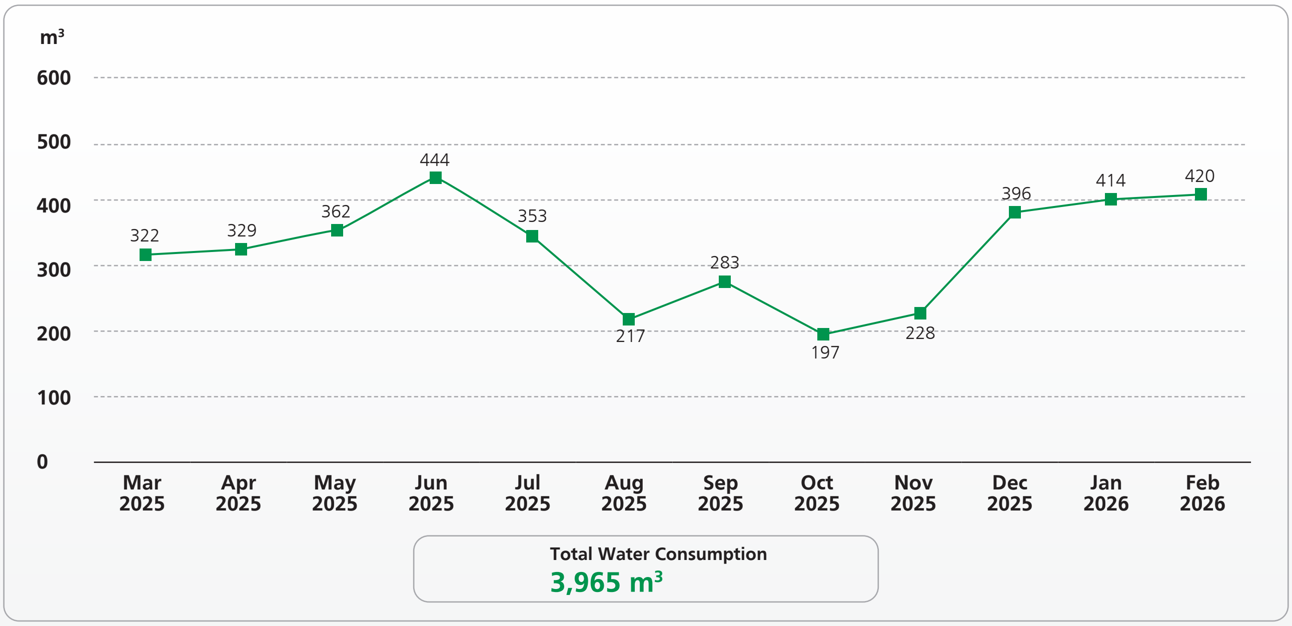
Water Consumption

Water is utilised primarily for operational and facility-related purposes. The Group monitors water consumption to promote responsible resource usage and support environmental sustainability objectives.

Water Consumption Performance	
Metric	**FY2026**
Total Water Consumption	3,965 m³
Average Monthly Consumption	330 m³
Highest Consumption Month	June 2025
Highest Monthly Consumption	444 m³
Lowest Consumption Month	October 2025
Lowest Monthly Consumption	197 m³

Monthly Water Consumption

Electricity consumption (m³) from March 2025 to February 2026.



Water consumption for FY2026 totalled 3,965 m³, with an average monthly consumption of approximately 330 m³. The highest water consumption was recorded in June 2025 at 444 m³, while the lowest consumption was recorded in October 2025 at 197 m³. Water consumption remained within Management's expected operating range throughout the year, with fluctuations generally corresponding to production activities and operational requirements.

Variations in water consumption throughout the year generally corresponded with production activities and operational requirements. The Group continues to monitor water usage to promote responsible resource consumption and support its environmental sustainability objectives.

Energy Management Initiatives

While no major energy-saving initiatives were implemented during FY2026, the Group continued to monitor electricity and water consumption as part of its resource management practices. Management remains committed to identifying practical opportunities to improve operational efficiency and reduce resource consumption where feasible.

Moving forward, the Group remains committed to monitoring resource consumption and identifying practical initiatives that support operational efficiency and environmental sustainability.

M7 - WASTE MANAGEMENT

The Group recognises that responsible waste management is essential in minimising environmental impacts, ensuring regulatory compliance and supporting sustainable manufacturing practices. As part of its environmental management approach, the Group continues to implement procedures for the proper handling, storage, recycling and disposal of waste generated from its manufacturing operations.

Scheduled Waste Management

The Group remains committed to complying with the Environmental Quality (Scheduled Wastes) Regulations 2005 and continues to manage scheduled waste in accordance with applicable regulatory requirements and established internal procedures.

Scheduled wastes generated from manufacturing activities are segregated according to their respective waste classifications and stored in designated storage areas prior to collection and disposal. The Group engages licensed waste management consultants and contractors to collect, transport, recycle and dispose scheduled wastes in accordance with regulatory requirements.

During FY2026, scheduled waste collection activities were conducted periodically, generally at intervals of approximately two months, by licensed waste management contractors. Waste streams generated from manufacturing operations, including waste oils and other scheduled wastes, were handled through approved disposal and recycling processes undertaken by licensed service providers.

The Group continued to maintain scheduled waste records and reporting requirements through the Department of Environment's electronic Scheduled Waste Information System ("eSWIS"), supporting traceability, transparency and regulatory compliance.

Waste Management Performance	
Metric	**FY2026**
Environmental Non-Compliance Incidents	0
Environmental Fines or Penalties	0
Waste-Related Regulatory Breaches	0

The Group is pleased to report that no environmental fines, penalties, regulatory breaches or waste-related incidents were recorded during FY2026.

Recycling Initiatives

The Group continues to promote waste minimisation and resource recovery practices where practicable. During FY2026, various recyclable materials generated from operations, including production scrap metal, were segregated, collected and recycled through authorised recycling channels

Recycling initiatives undertaken during the year included:

- ✓ Recycling of production scrap metal
- ✓ Recycling of paper and cardboard materials
- ✓ Recycling of used toner cartridges
- ✓ Reuse of paper for internal draft documentation where appropriate

These initiatives support the Group's efforts to reduce waste generation, improve resource utilisation and promote environmental responsibility within the workplace.

Noise Pollution Management

The Group acknowledges that manufacturing activities may generate operational noise and remains committed to protecting employee health and well-being through appropriate noise management practices.

The Group continues to implement noise control measures within its manufacturing facilities, including the provision of personal protective equipment ("PPE") such as earplugs for employees working in designated high-noise areas. Workplace noise exposure is monitored in accordance with applicable occupational safety and health requirements.
The most recent Noise Risk Assessment ("NRA") was conducted in 2024 in accordance with the Occupational Safety and Health (Noise Exposure) Regulations 2019. No new Noise Risk Assessment was required during FY2026, and the Group continued to maintain existing control measures throughout the reporting period.

Moving forward, the Group remains committed to strengthening its waste management and environmental protection practices through regulatory compliance, responsible waste handling, recycling initiatives and continuous environmental awareness across its operations.

MQ TECHNOLOGY BHD

BMLR Transition Period

Date & Time: 2026-06-25_16:04:21

Ace Market | Group 3 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Governance	ESG Oversight Responsibility	Position	—	Senior Manager	Maintain	Internal
Governance	Code of Conduct Communication Sessions	Frequency	—	Quarterly	Maintain	Internal
Governance	Confirmed incidents of corruption and action taken	Number	—	0	Zero	Internal
Governance	Assessments of operations-corruption-related risks	Percentage	—	100%	Maintain	Internal
Governance	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	—	0	Maintain Zero	Internal
Governance	Number of whistleblowing cases reported	Number	—	0	Maintain Zero	Internal
Product Quality & Customer Satisfaction	Product quality complaints received	Number	—	0	Minimise	Internal
Product Quality & Customer Satisfaction	Product recalls	Number	—	0	Maintain Zero	Internal
Workforce Diversity	Total employees	Number	—	84	Maintain	Internal
Workforce Diversity	Male employees	Number	—	65	Maintain Diversity	Internal
Workforce Diversity	Female employees	Number	—	19	Maintain Diversity	Internal
Workforce Diversity	Male employees	Percentage	—	77.38%	Maintain Diversity	Internal
Workforce Diversity	Female employees	Percentage	—	22.62%	Maintain Diversity	Internal
Workforce Diversity	Local employees	Number	—	58	Maintain	Internal
Workforce Diversity	Foreign employees	Number	—	26	Maintain	Internal
Workforce Diversity	Local employees	Percentage	—	69.05%	Maintain	Internal

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MQ TECHNOLOGY BHD

BMLR Transition Period

Date & Time: 2026-06-25_16:04:21

Ace Market | Group 3 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Workforce Diversity	Foreign employees	Percentage	—	30.95%	Maintain	Internal
Training & Development	Total training programmes conducted	Number	—	9	Maintain / Increase	Internal
Training & Development	Total training hours	Hours	—	91	Increase	Internal
Training & Development	Average training hours per employee	Hours	—	1.08	Increase	Internal
Labour Practices	Employee turnover rate	Percentage	—	11.20%	Maintain Workforce Stability	Internal
Labour Practices	New hires	Number	—	16	Monitor	Internal
Labour Practices	Employee resignations	Number	—	9	Monitor	Internal
Occupational Safety & Health	Workplace fatalities	Number	—	0	Maintain Zero	Internal
Occupational Safety & Health	Lost time injuries	Number	—	0	Maintain Zero	Internal
Occupational Safety & Health	Workplace accidents	Number	—	0	Maintain Zero	Internal
Employee Relations	Discrimination cases	Number	—	0	Maintain Zero	Internal
Employee Relations	Harassment cases	Number	—	0	Maintain Zero	Internal
Employee Welfare	Maternity Leave Entitlement	Days	—	98	Compliance	Internal
Employee Welfare	Paternity Leave Entitlement	Days	—	7	Compliance	Internal
Employee Welfare	Compassionate Leave Entitlement	Days	—	2	Compliance	Internal
Employee Welfare	Foreign Employee EPF Coverage	Status	—	Implemented Oct 2025	Compliance	Internal
Community	CSR / Community programmes conducted	Number	—	0	Evaluate Opportunities	Internal
Community	Community investment	RM	—	0	Evaluate Opportunities	Internal

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MQ TECHNOLOGY BHD

BMLR Transition Period

Date & Time: 2026-06-25_16:04:21

Ace Market | Group 3 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Energy Management	Total electricity consumption	kWh	—	1,500,245	Monitor & Improve Efficiency	Internal
Energy Management	Average monthly electricity consumption	kWh	—	125,020	Monitor	Internal
Water Management	Total water consumption	m^3	—	3,965	Monitor Usage	Internal
Water Management	Average monthly water consumption	m^3	—	330	Monitor Usage	Internal
Water Management	Environmental fines or penalties	Number	—	0	Maintain Zero	Internal
Waste Management	Environmental non-compliance incidents	Number	—	0	Maintain Zero	Internal
Waste Management	Waste-related regulatory breaches	Number	—	0	Maintain Zero	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-06-25_16:04:21

AUDIT COMMITTEE REPORT

The Board of Directors ("**the Board**") of MQ Technology Berhad ("**MQ**" or "**the Company**") is pleased to present the Report of the Audit Committee ("**the AC Report**") for the financial year ended 28 February 2026 ("**FYE 2026**"). The AC Report provides insights into the manner the Audit Committee ("**AC**") has discharged its duties and responsibilities in accordance with its Terms of Reference ("**TOR**") for the FYE 2026.

The AC was established to assist the Board in fulfilling its oversight responsibilities, specifically in the areas of financial reporting, corporate governance, and internal control of MQ and its subsidiaries ("**the Group**"), as well as other areas of responsibilities that may be promulgated by the ACE Market Listing Requirements ("**AMLR**") and the Malaysian Code on Corporate Governance 2021 from time to time. The duties, responsibilities and authority of AC are set out in its TOR which has been approved by the Board.

COMPOSITION & MEETINGS

The AC comprises of 3 members, all of whom are Independent Non-Executive Directors ("**INED**"). The composition of the AC complies with Rule 15.09 (1) of the AMLR. The composition and the details of each AC member's attendance for FYE 2026 are set out below:

Committee Member	Designation	Meeting attended
Dr. Koay Boon Hooi	Chairman	5/5
Dato' Masrul Affendy bin Masram (Appointed on 22 September 2025)	Member	2/2
Mary Susila A/P N.Perumal (Appointed on 3 November 2025)	Member	1/1

The Chairman of the AC has been admitted as Chartered Audit Committee Director by the Institute of Internal Auditors Malaysia. Profiles of the AC members are set out in the Directors' Profile Section of this Annual Report.

The notice of AC meeting and relevant meeting papers are distributed in advance, normally 7 days prior to the meeting to enable the AC to have sufficient time to review the materials and allow for better preparation and understanding of the issues to be discussed. The quorum for a meeting shall be 2 members and the majority of members present at the meeting must be independent.

The Company Secretary shall be the Secretary of the AC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting. The Company Secretary shall be responsible for recording the minutes of AC meetings, which will be circulated to all members and tabled for confirmation at the next meeting.

The AC may call for a meeting as and when required with reasonable notice as the AC members deem fit. AC members may participate in a meeting through teleconference, telephone call or any other similar or other mode of communication that allows participants to hear each other. Such participation in a meeting shall constitute presence in person at such meeting and shall satisfy the quorum requirement.

The Executive Director and Chief Financial Officer were invited to AC meetings to facilitate direct reporting by Executive Directors and Management and to provide updates on the operations, activities and financial performance of the Group. Representatives from the internal auditors, external auditors and other advisers of the Group are also invited to attend the AC meetings, to discuss specific matters which require their input and advice.

SUMMARY ACTIVITIES

The summary of the work and key matters considered by the AC during FYE 2026 are as follows:-

Financial Reporting

- Reviewed and discussed the unaudited quarterly financial results of the Group with the Management and recommended them for the Board's consideration and approval before releasing to Bursa Securities;
- Reviewed and discussed the audited financial statements together with the Directors' and auditor's statements with the External Auditors and the Management and recommended them for the Board's consideration and approvals; and
- Discussed the key audit matters with External Auditors and the Management.

AUDIT COMMITTEE REPORT (CONT'D)

External Audit

- Reviewed the External Audit Planning Memorandum, outlining the audit scope, audit process and areas of emphasis based on the External Auditors' presentation of audit plan;
- Reviewed the External Audit Review Memorandum and the response from the Management;
- Consideration and recommendation to the Board for approval of the audit fees payable to the External Auditors;
- Reviewed the performance and effectiveness of the External Auditors in the provision of statutory audit services and recommend to the Board for approval on the re-appointment of External Auditors;
- Reviewed and evaluated the factors relating to the independence of the External Auditors; and
- Follow up closely with the External Auditors on the qualified opinion in the Audited Financial Statements.

The AC recommended to the Board for approval of the audit fee of RM150,000 in respect of the FYE 2026.

The Board at its meeting held during the financial year end, approved the audit fee based on the recommendation of the AC.

Internal Audit

The Group outsources its Internal Audit Function to a professional services firm. The Internal Auditors were engaged to conduct regular review and appraisals of the effectiveness of the governance, risk management and internal control process within the Company and the Group.

The Internal Audit Report directly to the AC, the appointed Internal Auditors are given full access to all the documents relating to the Company and Group's governance, financial statements and operational assessments.

The AC had reviewed:-

- internal audit on the area of internal control system of the Group;
- Corporate governance of the Group; and
- suggestion on improvement opportunities in the areas of internal controls, systems, adequacy and efficiency improvements.

Internal Control and Risk Management

- Reviewed the internal audit plan for adequacy scope and coverage and risk areas;
- Reviewed risk management report and internal audit reports;
- Reviewed the effectiveness and adequacy of risk management, operational and compliance processes; and
- Reviewed the adequacy and effectiveness of corrective actions taken by the Management on all significant matters raised.

RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

At each quarterly meeting, the AC reviewed the recurrent related party transactions ("**RRPT**") and conflict of interest situation that may arise within the Company and its Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

The AC reviews the RRPT and conflict of interest situation presented by the Management prior to the Company entering into such transaction. The AC also ensure that the adequate oversight over the controls on the identification of the interested parties and possible conflict of interest situation before entering into transaction.

INTERNAL AUDIT FUNCTION

The purpose of the Internal Audit function is to provide the Board, through the AC, with reasonable assurance of the effectiveness of the risk management, control and governance processes in the Group. To ensure that the responsibilities of Internal Auditors are fully discharged, the AC reviews the adequacy of the scope, functions and resources of the Internal Audit function as well as the competency of the Internal Auditors.

The Internal Auditors also highlighted to the AC the audit findings which required follow-up action by Management as well as the outstanding audit issues which required corrective action to ensure an adequate and effective internal control system within the Group.

All Internal Audit activities in the FYE 2026 were outsourced to an independent assurance provider and the total costs incurred were amounted to RM8,000.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which have been made out in accordance with the approved accounting standards so as to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for that financial year.

In preparing the financial statements of the Group and of the Company for the financial year ended 28 February 2026, the Directors have: -

- Adopted and applied the appropriate and relevant accounting policies consistently;
- Made judgements and estimates that are prudent and reasonable;
- Complied with the applicable approved financial reporting standards, i.e. Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), ACE Market Listing Requirements and the provisions of the Companies Act 2016; and
- Prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for ensuring that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and in compliance with the Companies Act 2016.

The Directors are also responsible for taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Part A of Appendix 9C of the Listing Requirements of Bursa Securities:-

1. Statement of Directors' Responsibility in respect of the Financial Statements

The Directors are required by the Companies Act, 2016 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Company and of the Group for the financial year ended 28 February 2026. The Company and the Group have used the appropriate accounting policies and applied them consistently and prudently. The Directors also consider that all relevant approved accounting standards have been followed in the preparation of these financial statements.

2. Material Contracts Involving Directors and/or Major Shareholders

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the financial year ended 28 February 2026 or entered into since the end of the previous financial year.

3. Utilisation of Proceeds Raised from Corporate Proposals

On 21 May 2025, the Company entered into a supplemental subscription agreement to the conditional subscription agreement dated 7 June 2024 for the issuance of redeemable convertible bonds with an aggregate principal amount of up to RM150.00 million, with Triton Capital Fund VCC to revise the Minimum Conversion Price of RM0.10 to RM0.05. Pursuant thereto, the Company proposed to undertake the following: -

(i) Proposed variation of the minimum conversion price of the Bonds; and
(ii) Proposed variation of the utilisation of proceeds to be raised from the Issuance of Bonds.

As at the financial year ended 28 February 2026, the status of the utilisation of proceeds is as below:-

Purpose	Proposed Utilisation (RM'000)	Actual Proceeds (RM'000)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)	Timeframe for Utilisation
Funding for the construction cost for phase 1 of the Development of Partial Melaka Land	3,710	-	-	-	Within 36 months
Factory expansion and working capital for existing businesses	13,410	5,843	5,843	-	Within 12 months
Expenses relating to the Proposals	2,740	2,357	2,357	-	Within 36 months
Total	19,860	8,200	8,200	-	

4. Contracts Relate to a Loan

There were no contracts which relate to a loan entered into by the Company and its subsidiaries during the financial year ended 28 February 2026.

5. Employees' Share Option Scheme

The Employees' Share Option Scheme of the Company ("**ESOS**" or "**Scheme**") was implemented on 30 November 2022 and shall be in force for a duration of five (5) years.

The total number of options granted, exercised and outstanding under the ESOS are set out in the table below:-

	Category of Participants					
	Executive Directors		Senior Management		Employee	
	Number and Percentage of Options	Number of Participants	Number and Percentage of Options	Number of Participants	Number and Percentage of Options	Number of Participants
As at 1 March 2025						
(a) Total options granted	250,400,000 (15.31%)	2	238,481,600 (14.58%)	1	90,000,000 (5.5%)	1
(b) Total options exercised	171,643,200 (10.49%)	2	122,814,300 (7.51%)	1	90,000,000 (5.5%)	1
(c) Total options cancelled	64,356,800 (3.93%)	2	100,160,200 (6.12%)	1	-	-
(d) Total options outstanding	14,400,000 (0.88%)	1	15,507,100 (0.95%)	1	-	-
During the financial period						
(a) Total options granted	-	-	-	-	-	-
(b) Total options exercised	-	-	-	-	-	-
(c) Total options cancelled(i)	1,440,000 (0.64%)	1	1,550,710 (0.68%)	1	-	-
As at 28 February 2026						
(a) Total options granted(i)	25,040,000 (11.05%)	2	23,848,160 (10.53%)	1	9,000,000 (3.97%)	1
(b) Total options exercised(i)	17,164,320 (7.58%)	2	12,281,430 (5.42%)	1	9,000,000 (3.97%)	1
(c) Total options cancelled(i)	7,875,680 (3.48%)	2	11,566,730 (5.11%)	1	-	-
(d) Total options outstanding	-	-	-	-	-	-

Note:
(i) Consolidation of every 10 existing ordinary shares into 1 share

In accordance with the Company's ESOS By-Laws, not more than eighty per centum (80%) of the Company's ordinary shares available under the Scheme shall be allocated to Directors and senior management of the Group. Since the commencement of the Scheme up to the financial year ended 28 February 2026, the Company has granted a net 13.00% of options to the Directors and senior management.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

6. Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT")

During the financial year ended 28 February 2026, the Group has not entered into any RRPT of a revenue or trading nature.

7. Non-Audit Fees

The non-audit fees of RM5,000 was paid and payable to External Auditors by the Group for the financial year ended 28 February 2026.

8. Disclosure of Financial Data for Shariah Screening

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

(a) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**2026 (RM)**	**2025 (RM)**
Revenue		9,311,039	10,808,133
Other income		615,687	850,026
Interest/Finance income		60	161
Others (please specify in the remarks column)	Gain on revaluation of investment property	-	1,398,320
Total		**9,926,786**	**13,056,640**
Total Assets		**78,922,892**	**77,002,399**

(b) Business Activities

		Group	
Shariah Non-Compliant Activities	**Remarks**	**2026 (RM)**	**2025 (RM)**
Interest income		33	48
Rental income received from tenant involved in Shariah non-compliant activities		570,000	782,250
Total		**570,033**	**782,298**

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

8. Disclosure of Financial Data for Shariah Screening (Cont'd)

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	**Remarks**	**Group 2026 (RM)**	**Group 2025 (RM)**
Cash and bank balances (exclude cash in hand)		504	682
Total Cash		**504**	**682**

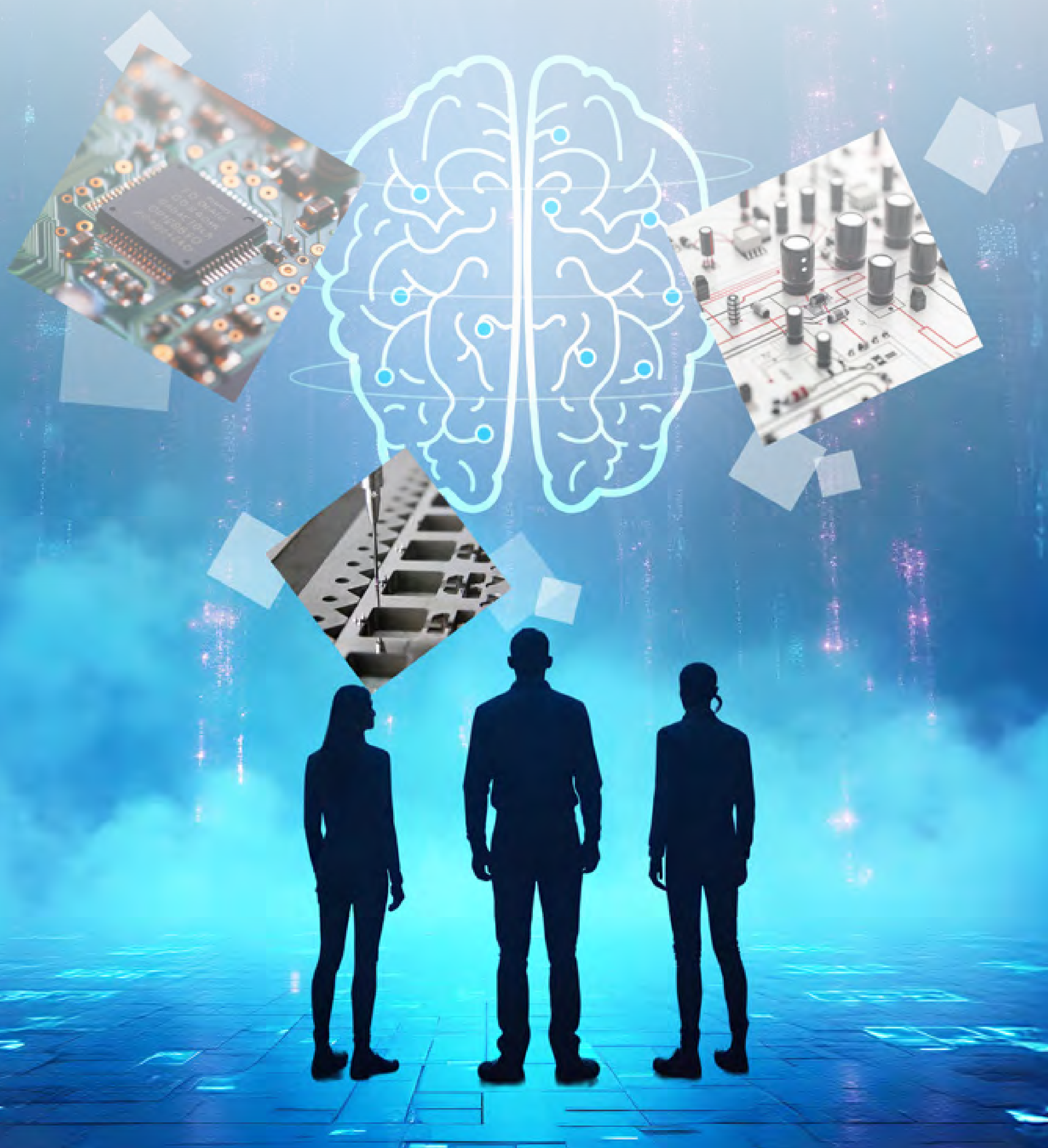
Conventional Account/Instruments	**Remarks**	**Group 2026 (RM)**	**Group 2025 (RM)**
Cash and bank balances (exclude cash in hand)		464,067	586,654
Deposits with licensed bank		260,000	260,000
Total Cash		**724,067**	**846,654**

(ii) Debt Component

Islamic Financing	**Remarks**	**Group 2026 (RM)**	**Group 2025 (RM)**
Current		N/A	N/A
Non-Current		N/A	N/A
Total Financing		**0**	**0**

Conventional Borrowing	**Remarks**	**Group 2026 (RM)**	**Group 2025 (RM)**
Current			
Hire purchase payables		0	31,816
Medium term notes		0	0
Non-Current			
Hire purchase payables		0	21,935
Medium term notes		1,763,925	2,366,443
Total Debt		**1,763,925**	**2,420,194**

FINANCIAL STATEMENTS



DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 28 February 2026.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net loss for the financial year	(5,558,162)	(6,305,559)

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

DIVIDENDS

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increase its share capital by way of:

On 6 January 2026, the Company issued 10,000,000 new ordinary shares pursuant to the conversion of Convertible Bonds at the conversion price of RM0.05 per share.

On 27 February 2026, the Company issued 10,000,000 new ordinary shares pursuant to the conversion of Convertible Bonds at the conversion price of RM0.05 per share.

No cash consideration was received as the shares were issued upon conversion of the Convertible Bonds.

The newly issued shares rank pari passu in all respects with the existing issued shares of the Company.

The Company did not issue any new debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

The Company has an Employees' Share Issuance Scheme ("SIS") which is governed by the By-Laws approved by its shareholders. The SIS was implemented on 30 November 2022 and remains in force during the financial year.

There were no new options granted under the SIS during the financial year. During the financial year, certain previously granted share options were surrendered by the option holders in accordance with the terms of the SIS.

The salient features of the SIS are as follows:

(a) The SIS was implemented on 30 November 2022 and is in force for a year of 5 years until 29 November 2027 in accordance with the terms of the SIS By-Laws;

(b) The total number of new shares to be offered pursuant to the SIS shall be subject to a maximum of 30% of the Company’s issued and paid-up share capital (excluding treasury shares) at any one time;

OPTIONS GRANTED OVER UNISSUED SHARES (CONT.)

The salient features of the SIS are as follows: (Cont.)

(d) Employees (including directors) of the Company or its subsidiaries shall be eligible to participate in the SIS, if as at the date of offer, the employee:

(i) Have attained the age of eighteen (18) years;
(ii) Is employed by a company in the Group, which is not dormant.

(e) The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the SIS shall be approved by the shareholders of the Company in the general meeting.

(f) The price payable upon exercise of options under the SIS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%;

(g) The new ordinary shares to be issued upon exercise of the options under the SIS, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the options under the SIS; and

(h) The exercise price and the number of new ordinary shares comprised in the SIS are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By- Laws.

The movements in share options under the SIS during the financial year were as follows:

	Entitlement for options				
	At 28.02.2025	**Additional**	**Exercised**	**Surrendered**	**At 28.02.2026**
Share Issuance Scheme	29,907,100	-	-	(29,907,100)	-

DIRECTORS

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

Terence Cheah Eu Lee	
Dato' Nurulhidayah Binti Ahmad Zahid	
Dr. Koay Boon Hooi	
Low Henn Kai	Appointed on 26 August 2025
Dato' Masrul Affendy bin Masram	Appointed on 22 September 2025
Mary Susila a/p N.Perumal	Appointed on 03 November 2025
Abdul Rahim Rajah bin Abdullah	Resigned on 03 June 2025
Dato' Lim Char Boo	Retired on 26 August 2025
Gerald Nicholas Tan Eng Hoe	Retired on 26 August 2025

* Director of the Company and certain subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016 the directors who held office at the end of financial year and their interest in the Company during the financial year were as follows:

Directors' Interests	At 28.02.2025	Additional	Surrendered	Before share consolidation	At 28.02.2026
Low Henn Kai	-	50,000	-	-	50,000
Terence Cheah Eu Lee	1,440,000	-	(1,440,000)	-	-

On 25 September 2024, the Company completed a share consolidation on the basis of every ten (10) existing ordinary shares being consolidated into one (1) ordinary share. Accordingly, the number of outstanding share options has been adjusted to reflect the effect of the share consolidation. During the financial year, the Director surrendered all of his remaining unexercised share options granted under the Employees' Share Issuance Scheme ("SIS").

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Group and of the Company has received nor become entitled to receive any benefit (other than the benefits shown under directors' remuneration) by reason of a contract made by the Group and 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.

Neither during, nor at the end of the financial year, did there subsist any arrangement to which the Group and the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Group and the Company or any other body corporate.

INDEMNITIES TO DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or insurance effected for any director, officer or auditors of the Group and Company during the financial year.

DIRECTORS' REMUNERATION

The details of the directors' remuneration of the Group and of the Company during the financial year are as below:

	Group RM	Company RM
Directors' Remuneration	606,534	396,103

OTHER STATUTORY INFORMATION

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

a) 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 no known bad debts need to be written off and that adequate provision had been made for doubtful debts; and

b) ensure that any current assets which were unlikely to be realise 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.

OTHER STATUTORY INFORMATION (CONT.)

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

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

b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

c) which have arisen 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 year which secures the liabilities of any other person; or

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

In the opinion of the directors:

- No contingent or other liability has become enforceable, or is likely to become enforceable within the **year** of twelve months after the end of the financial year 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.

- No item, transaction, or event of a material and unusual nature has arisen in the interval between the end of the financial year 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 year in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are amounted to RM155,000 and RM61,000 during the financial year.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

AUDITORS

The auditors, Messrs. Jamal, Amin & Partners have indicated their willingness to accept the re-appointment in accordance with Section 267(4) of the Companies Act, 2016.

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

DATO' NURULHIDAYAH BINTI AHMAD ZAHID
Director

TERENCE CHEAH EU LEE
Director

Kuala Lumpur

Dated: 29 June 2026

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

We, DATO' NURULHIDAYAH BINTI AHMAD ZAHID and TERENCE CHEAH EU LEE, being two of the directors of MQ TECHNOLOGY BERHAD, do hereby state that on behalf of the directors in our opinion, the financial statements set out on pages 80 to 157 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 28 February 2026 and of the results of its financial performance and cash flows of the Group and of the Company for the financial year ended 28 February 2026.

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

DATO' NURULHIDAYAH BINTI AHMAD ZAHID
Director

TERENCE CHEAH EU LEE
Director

Kuala Lumpur

Dated: 29 June 2026

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

I, TONG SIAN SHYEN, being the officer primarily responsible for the financial management of MQ TECHNOLOGY BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 80 to 157, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by TONG)
SIAN SHYEN, at Kuala Lumpur in the state)
of Federal Territory on 29 June 2026)

TONG SIAN SHYEN
(MIA NO. 36765)

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MQ TECHNOLOGY BERHAD, which comprise the statements of financial position as at 28 February 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 28 February 2026, and notes to the financial statements, including a material accounting policy information, as set out on pages 80 to 157.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 28 February 2026, and of their financial performance and their cash flows for the financial year ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD (CONT'D)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matters
Impairment of other receivables	
The Group's other receivables, deposits and prepayment amounting to RM12 million, representing approximately 24% of the total current assets as at 28 February 2026. The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, other receivables concentration, other receivables creditworthiness and other receivables payment terms.	In addressing this, we have performed the following audit procedures: • We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures. • We assessed the recoverability of other receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections. • We evaluated the reasonableness of the methods and assumptions used by management in estimating the impairment. • Reviewed the adequacy and appropriateness of the disclosures in the financial statements relating to the impairment assessment of other receivables.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD (CONT'D)

Key Audit Matters (Cont.)

Key Audit Matters	How our audit addressed the key audit matters
Asset Held for Sales	
During the financial year, the Group reclassified a non-current asset with a carrying amount of RM30 million as asset held for sale, in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The classification requires management to assess whether the asset is available for immediate sale in its present condition and whether the sale is highly probable within 12 months. The asset is subsequently measured at the lower of its carrying amount and fair value less costs to sell. Given the materiality of the amount and the significant management judgement involved in assessing sale conditions and estimating fair value, this area was considered a key audit matter.	In addressing this, we have performed the following audit procedures: • We have reviewed the criteria applied by management for classifying the asset as held for sale under MFRS 5; • We have assessed the appropriateness and timing of the reclassification by reviewing board minutes, approvals, and sales plans; • We obtained and assessed the reasonableness of the fair value estimation; and • Reviewed the adequacy and appropriateness of the disclosures in the financial statements regarding the asset held for sale.

Information Other than the Financial Statements ad Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information include in the directors' and 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 directors' report and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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 of the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD (CONT'D)

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

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: (cont.)

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

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

- 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 represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD (CONT'D)

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

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.

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.

JAMAL, AMIN & PARTNERS

(No : AF 1067)
Chartered Accountants

NUR FATIMAH BINTI MOHAMAD KHIRRULZAKI
(No : 3731/04/27(J))
Chartered Accountant

Kuala Lumpur

Dated: 29 June 2026

STATEMENTS OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2026

		Group		Company	
	Note	28.2.2026 RM	28.2.2025 RM	28.2.2026 RM	28.2.2025 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	26,722,520	28,007,889	23,296	34,487
Right of use assets	6	31,498	141,729	31,498	73,495
Investment in subsidiaries	7	-	-	58,748,730	60,936,329
Investment in associates	5	2,542,200	-	2,542,200	-
		29,296,218	28,149,618	61,345,724	61,044,311
Current Assets					
Inventories	8	956,032	1,074,031	-	-
Trade receivables	9	2,611,773	2,221,614	-	-
Other receivables, deposits and prepayments	10	12,063,110	15,093,955	168,886	10,005,716
Amount due from subsidiaries	11	-	-	7,962,026	2,238
Amount due from related companies		3,286,690	-	3,286,690	-
Assets held for sale	12	29,966,595	29,602,274	-	-
Current tax assets		17,903	13,571	-	-
Fixed deposits with licensed banks	13	260,000	260,000	-	-
Cash and cash equivalents	14	464,571	587,336	34,534	121,715
		49,626,674	48,852,781	11,452,136	10,129,669
TOTAL ASSETS		78,922,892	77,002,399	72,797,860	71,173,980
EQUITY					
Share capital	15	58,103,256	57,103,256	58,103,256	57,103,256
Reserves	16	4,399,653	4,881,157	-	481,504
Retained Earnings		(3,822,658)	1,735,504	1,003,908	7,309,467
Redeemable convertible bond	17	236,075	333,557	236,075	333,557
TOTAL EQUITY		58,916,326	64,053,474	59,343,239	65,227,784

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 28 FEBRUARY 2026

	Note	Group 28.2.2026 RM	Group 28.2.2025 RM	Company 28.2.2026 RM	Company 28.2.2025 RM
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	18	-	83,292	-	33,119
Finance Lease	19	-	21,935	-	-
Redeemable convertible bond	17	1,763,925	2,366,443	1,763,925	2,366,443
Deferred tax liabilities	20	1,890,342	1,605,529	-	-
		3,654,267	4,077,199	1,763,925	2,399,562
Current Liabilities					
Trade payables	21	623,049	435,537	-	-
Other payables and accruals	22	14,296,131	8,343,886	6,310,139	534,064
Lease liabilities	18	33,119	60,487	33,119	41,132
Finance Lease	19	-	31,816	-	-
Amount due to subsidiaries	11	-	-	3,947,438	2,971,438
Amount due to related companies		1,400,000	-	1,400,000	-
		16,352,299	8,871,726	11,690,696	3,546,634
TOTAL LIABILITIES		20,006,566	12,948,925	13,454,621	5,946,196
TOTAL EQUITY AND LIABILITIES		78,922,892	77,002,399	72,797,860	71,173,980

The accompanying notes form an integral part of these financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2026

		Group		Company	
	Note	28.2.2026 RM	28.2.2025 RM	28.2.2026 RM	28.2.2025 RM
Revenue	23	9,311,039	10,808,133	3,481	-
Cost of sales		(8,463,113)	(10,662,869)	-	-
Gross Profit		847,926	145,264	3,481	-
Other operating income	24	615,747	2,248,507	-	-
Selling and distribution expenses		-	-	-	-
General and administrative expenses		(6,512,050)	(14,363,318)	(6,088,457)	(11,437,811)
Finance costs		(224,952)	(21,029)	(220,583)	(10,904)
Loss before tax	25	(5,273,329)	(11,990,576)	(6,305,559)	(11,448,715)
Taxation	26	(284,833)	(19)	-	-
Loss for the financial year		(5,558,162)	(11,990,595)	(6,305,559)	(11,448,715)
Other Comprehensive Income, net of tax					
Revaluation of property, plant and equipment		-	504,590	-	-
Total comprehensive loss for the financial year		(5,558,162)	(11,486,005)	(6,305,559)	(11,448,715)

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2026

	Attributables to owner of the parent					
	Non-Distributable				*Distributable*	
	Share Capital RM	**Assets Revaluation Reserve RM**	**Share Option Reserve RM**	**Redeemable Convertible Bond RM**	**Retained Earnings RM**	**Total RM**
Group						
At 30 September 2023 and 1 October 2023 (restated)	95,130,798	13,595,019	908,647	-	(45,973,857)	63,660,607
Total Comprehensive Income for the financial period	-	-	-	-	(11,990,595)	(11,990,595)
Revaluation surplus of property, plant and equipment	-	504,590	-	-	-	504,590
Transfer from revaluation reserve to retained earnings	-	(9,699,956)	-	-	9,699,956	-
ESOS surrender	-	-	(908,647)	-	-	(908,647)
Issuance of ordinary shares via bond conversion	4,300,000	-	-	-	-	4,300,000
Issuance of ordinary shares via ESOS	4,862,005	-	-	-	-	4,862,005
Grant of SIS options	-	-	3,291,957	-	-	3,291,957
Transfer from share option reserve upon exercise of SIS options	(2,810,453)	-	(2,810,453)	-	-	-
Issuance of redeemable convertible bond	-	-	-	333,557	-	333,557
Adjustment for share capital reduction	(50,000,000)	-	-	-	50,000,000	-
At 28 February 2025	57,103,256	4,399,653	481,504	333,557	1,735,504	64,053,474

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2026

	Attributables to owner of the parent					
	Non-Distributable				*Distributable*	
Group	**Share Capital RM**	**Assets Revaluation Reserve RM**	**Share Option Reserve RM**	**Redeemable Convertible Bond RM**	**Retained Earnings RM**	**Total RM**
At 28 February 2025 and 1 March 2025	57,103,256	4,399,653	481,504	333,557	1,735,504	64,053,474
Total Comprehensive Income for the financial year	-	-	-	-	(5,558,162)	(5,558,162)
ESOS surrender	-	-	(481,504)	-	-	(481,504)
Issuance of ordinary shares via bond conversion	1,000,000	-	-	-	-	1,000,000
Issuance of redeemable convertible bond	-	-	-	691,332	-	691,332
Redemption of redeemable convertible bond	-	-	-	(788,814)	-	(788,814)
At 28 February 2026	58,103,256	4,399,653	-	236,075	(3,822,658)	58,916,326

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2026

	Attributables to owner of the parent				
	Non-Distributable			Distributable	
Company	Share Capital RM	Share Option Reserve RM	Redeemable Convertible Bond RM	Retained Earnings RM	Total RM
At 30 September 2023 and 1 October 2023	95,130,798	908,647	-	(31,241,818)	64,797,627
Total Comprehensive Income for the financial period	-	-	-	(11,448,715)	(11,448,715)
ESOS surrender	-	(908,647)	-	-	(908,647)
Grant of SIS	-	3,291,957	-	-	3,291,957
Transfer from share option reserve upon exercise of SIS	-	(2,810,453)	-	-	(2,810,453)
Issuance of ordinary shares via bond conversion	4,300,000	-	-	-	4,300,000
Issuance of ordinary shares via ESOS	4,862,005	-	-	-	4,862,005
Transfer from share option reserve upon exercise of SIS	2,810,453	-	-	-	2,810,453
Issuance of redeemable convertible bond	-	-	333,557	-	333,557
Adjustment for share capital reduction	(50,000,000)	-	-	50,000,000	-
At 28 February 2025	57,103,256	481,504	333,557	7,309,467	65,227,784

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2026

Company	Attributables to owner of the parent				
	Non-Distributable			*Distributable*	
	Share Capital RM	**Share Option Reserve RM**	**Redeemable Convertible Bond RM**	**Retained Earnings RM**	**Total RM**
At 28 February 2025 and 1 March 2025	57,103,256	481,504	333,557	7,309,467	65,227,784
Total Comprehensive Income for the financial year	-	-	-	(6,305,559)	(6,305,559)
ESOS surrender	-	(481,504)	-	-	(481,504)
Grant of SIS	-	-	-	-	-
Transfer from share option reserve upon exercise of SIS	-	-	-	-	-
Issuance of ordinary shares via bond conversion	1,000,000	-	-	-	1,000,000
Issuance of redeemable convertible bond	-	-	691,332	-	691,332
Redemption of redeemable convertible bond	-	-	(788,814)	-	(788,814)
At 28 February 2026	58,103,256	-	236,075	1,003,908	59,343,239

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2026

		Group		Company	
		28.2.2026	28.2.2025	28.2.2026	28.2.2025
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Loss before tax		(5,273,329)	(11,990,576)	(6,305,559)	(11,448,715)
Adjustments for:					
Depreciation of property, plant and equipment	4	1,335,914	2,894,284	8,128	24,234
Amortisation of right of use assets	6	53,938	108,804	41,997	59,430
Equity-settled share-based payment expenses		(481,504)	2,383,310	(231,840)	486,545
(Gain)/Loss on disposal of property, plant and equipment		(2,450)	2,275,167	-	-
(Gain)/Loss on lease termination		(2,117)	-	-	-
(Gain)/loss on revaluation of investment property		-	(1,398,320)	-	-
Property, plant and equipment written off		3,063	800	3,063	-
Interest expenses		224,952	21,034	220,583	10,904
Interest income		(60)	(161)	-	-
Impairment loss on investment in subsidiaries		-	-	2,043,335	5,708,163
Allowance for expected credit losses on trade receivables		-	724,237	-	-
Reversal of impairment loss on trade receivables		-	(47,627)	-	-
Allowance for expected credit losses on other receivable		2,752,253	1,400,000	2,700,000	1,400,000
Unrealised loss on foreign exchange		91,677	13,214	-	-
Operating loss before working capital changes carried forward		(1,297,663)	(3,615,834)	(1,520,293)	(3,759,439)

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2026

		Group		Company	
	Note	28.2.2026 RM	28.2.2025 RM	28.2.2026 RM	28.2.2025 RM
Cash flows from operating activities (Cont.)					
Operating loss before working capital changes brought forward		(1,297,663)	(3,615,834)	(1,520,293)	(3,759,439)
Changes in:					
Inventories		117,999	(236,351)	-	-
Receivables		(1,343,543)	(11,316,105)	734,629	(8,274,348)
Payables		6,182,254	6,886,430	5,776,075	236,749
Advances from/(repayments to) directors		(42,500)	200,000	-	-
Amount due by related companies		(3,286,690)	-	(3,286,690)	-
Cash (used in)/generated from operation		329,857	(8,081,860)	1,703,721	(11,797,038)
Tax paid		(4,352)	(8,520)	-	-
Tax refunded		-	89,397	-	-
Net cash (used in)/ generated from operating activities		325,505	(8,000,983)	1,703,721	(11,797,038)
Cash flows from investing activities					
Acquisition of property, plant and equipment	4	(469,479)	(3,987,818)	-	-
Additional investment in subsidiaries		-	-	-	(4,042,600)
Proceed from disposal of property, plant and equipment	4	54,000	-	-	-
Repayments from/(advances to) subsidiaries	a	-	-	(2,805,187)	1,075,200
Advances from subsidiaries	a	-	-	976,000	2,971,438
Net cash used in investing activities		(415,479)	(3,987,818)	(1,829,187)	4,038

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2026

	Note	Group 28.2.2026 RM	Group 28.2.2025 RM	Company 28.2.2026 RM	Company 28.2.2025 RM
Cash flows from financing activities					
Interest received		60	161	-	-
Interest paid (HP, term loan & 2% RCB)		(224,952)	(21,029)	(220,583)	(10,904)
Proceeds from issuance of Redeemable Convertible Bond		1,200,000	7,000,000	1,200,000	7,000,000
Redemption of 2% RCB		(900,000)	-	(900,000)	-
Proceeds from issuance of shares		-	4,862,005	-	4,862,005
Repayment of lease liabilities		(106,000)	(152,562)	(41,132)	(61,041)
Net cash generated from financing activities		(30,892)	11,688,575	38,285	11,790,060
Net decrease in cash and cash equivalents		(120,866)	(300,226)	(87,181)	(2,940)
Effect of exchange rate changes		(1,899)	(1,821)	-	-
Cash and cash equivalents at beginning of financial year/year	14	587,336	889,383	121,715	124,655
Cash and cash equivalents at end of financial year/year	14	464,571	587,336	34,534	121,715
Cash and Cash Equivalents					
Cash and bank balances	14	464,571	587,336	34,534	121,715
Fixed deposit with licensed bank	13	260,000	260,000	-	-
		724,571	847,336	34,534	121,715
Less: Fixed deposit pledged		(260,000)	(260,000)	-	-
		464,571	587,336	34,534	121,715

a) Reconciliation of Assets arising from Financing Activities

Company	At 28.02.2025 RM	Non-Cash Movement RM	Cash Flow Movement RM	At 28.02.2026 RM
Amount due from/(to) subsidiaries company	(2,969,200)	5,154,601	1,829,187	4,014,588

The accompanying notes form an integral part of these financial statements

1. GENERAL INFORMATION

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

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company was located at Unit 310, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 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.

2.2 Basis of measurement

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

2.3 Adoption of new and amended standards

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 years beginning on or after 1 January 2025;

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

- Amendments to MFRS 121, Lack of Exchangeability

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.4 Standards issued but not yet effective

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

The standards, amendments and interpretations that are issued but not yet effective up to the date of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

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

- Amendments to MFRS 9 and MFRS 7, Classification and Measurement of Financial Instruments
- Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS10 and MFRS 107, Annual Improvement to MFRS Accounting Standards – Volume 11
- Amendments to MFRS 9 and MFRS 7, Contracts Referencing Nature-dependent Electricity

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
- Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency

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

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

2.5 Business Combinations and Consolidation

a) Business combinations

The Group applies the acquisition method to account for all combinations. If the acquisition of an asset or a group of assets does not constitute a business, it is accounted for as an acquisition.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.5 Business Combinations and Consolidation (cont.)

a) Business combinations (cont.)

The Group identifies the acquisition date of business combination as the date on which the Group obtains control of an acquiree. Control is obtained when the group commences to have the power to direct financial and operating policy decisions of the investee so as to obtain benefits from its activities. This may require fulfilment of precedent conditions, such as completion of due diligence audit, and shareholders' approvals if they are specified in a sale and purchase agreement.

As of the acquisition date, the Group recognises, separately from goodwill, the identifiable assets acquired (including identifiable intangible assets), the liabilities assume (including contingent liabilities) and any non-controlling interest in the acquiree. The identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values, except for those permitted or required to be measured on other bases by assets, excluding goodwill.

The cost of a business combination is measured at fair value, calculated as the sum of the acquisition- date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Expenses incurred in connection with a business combination are capitalised in the cost of business combination.

The cost of business combination is allocated to the share of net assets acquired to determine the initial amount of goodwill on combination. In a business combination achieved in stages (including acquisition of a former joint venture), the cost of each exchange transaction is compared with the share of net assets to determine the goodwill of each exchange transaction on a step-by-step basis. Any increase in equity interest in an investee after acquisition date is accounted as an equity transaction between the parent and the non-controlling interest and the effect is adjusted directly in equity.

If the initial accounting for a business combination is not complete by the end of the reporting year in which the combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about fact and circumstances that existed as of the acquisition date, including additional assets or liabilities in the measurement **year**. The measurement **year** for completion of the initial accounting ends after one year from the acquisition date.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.5 Business Combinations and Consolidation (cont.)

b) Subsidiaries and basis of consolidation

The Group recognises a subsidiary based on the criterion of control. A subsidiary is an entity (including special purpose entities) over which the Group has the power to govern the financial and operating policy decision of the investee so as to obtain benefits from its activities. In circumstances when the voting rights are not more than half or when voting right are not dominant determinant of control, the Group uses judgements to assess whether it has de facto control, control by other arrangements (including control of special purpose entities), or by holding substantive potential voting right.

The financial statements of the parents Company and all its subsidiaries used in the preparation of the consolidated financial statement are prepared as of the same reporting date of 28 February 2026.

The consolidated financial statements are prepared using uniform accounting policies for like transaction, other events conditions in similar circumstances.

The carrying amount of investment in each subsidiary of a parent in the Group is eliminated against the parent's portion of equity in each subsidiary. The consolidated financial statements combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company and all its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date acquisition (which is the date the Group assumes control of an investee) or up effective date of disposal (which is the date the Group ceases to have control of an investee).

All intra-group balance and transactions are eliminated in full on consolidation. Unrealised profits or losses arising from intra-group transactions are also eliminated in full on consolidation, except when an unrealised loss is an impairment loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.5 Business Combinations and Consolidation (cont.)

b) Subsidiaries and basis of consolidation (cont.)

When the Group ceases to control a subsidiary, the difference between the proceeds from the disposal of the subsidiary and it carrying amount at the date that control is lost is recognised in profit or loss in the statements of comprehensive income as a gain or loss on disposal of the subsidiary. The cumulative amount of any exchange differences that relate to a foreign subsidiary recognised in other comprehensive income is not reclassified to profit or loss on disposal of the subsidiary. If the Group retains an equity interest in the former subsidiary, it is accounted for as a financial asset (provided it does not become an associate or a joint venture). The carrying amount of the investment retained at the date that the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

Any decrease in equity stake in a subsidiary that does not result in loss of control is accounted for as an equity transaction and the financial effect is adjusted directly in the consolidated statement of change in equity.

2.6 Foreign Currency Transactions and Balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non- monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.6 Foreign Currency Transactions and Balances (cont.)

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

2.7 Current versus Non-Current Classification

Assets and liabilities in the statement of financial position are presented based on current/non-current classification.

An asset is current when:
(i) It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is expected to be realised within twelve months after the reporting years; or
(iv) It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

An liabilities is current when:
(i) It is expected to be settled in the normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is due to be settled within twelve months after the reporting years; or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting **year**.

All other assets and liabilities are classified as non-current.

2.8 Property, Plant and Equipment

Operating tangible assets that are used for more than one accounting year in the production and supply of goods and services, for administrative purpose or for rental to others are recognised as property, plant and equipment when the Group and the Company obtains control of the asset. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on the nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.8 Property, plant and equipment (cont.)

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchases price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses All property, plant and equipment are depreciated by allocating the depreciable amount over the remaining useful life. The depreciation methods used and useful lives of the respective classes of property, plant and equipment are as follows:

	Method	Useful life
Buildings	Straight-line	40 – 50
Furniture and fittings	Straight-line	5 – 10
Leasehold land	Straight-line	50
Motor vehicles	Straight-line	5
Plant and machinery	Straight-line	10
Office equipment	Straight-line	5 – 10
Renovation	Straight-line	2

At the end of each reporting year, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current financial year.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

The Group and Company revalue its properties comprising land and buildings every 3 to 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.8 Property, plant and equipment (cont.)

Surpluses arising from revaluation of properties held for own use are dealt with in other comprehensive income and are accumulated separately in equity in the revaluation reserve account. When a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation. On annual basis, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

When revalued assets are retired or disposed, the amounts included in the revaluation surplus reserve are transferred to retained earnings and are not reclassified to profit or loss.

2.9 Non-current asset held for sale or distribution to owners

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their varying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, contract assets, contract costs, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Intangible assets and property, plan and equipment once classified as held for sale or distribution are not amortised or depreciated.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.10 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group and in the Company are accounted for as owner-occupied rather than as investment properties.

The Company recognizes land, building (including a floor of a building), or both land and building, as an investment property if it is held for capital appreciation, rental income or both. An investment property is recorded at cost on initial recognition. Cost of an investment property comprises the purchase price plus all directly attributable costs incurred to bring the property to its present location and condition intended for uses and investment property.

For the purpose of subsequent measurement, items of equipment that are irremovable and items that are physically attached to a building, such as lifts, elevators, electrical system and air-conditioning system, are treated as an integral part of the property. The Company uses the fair value model to measure an investment property after initial recognition if the fair value can be measured reliably without undue cost or effort. Fair value is determined by reference to a quoted market price, if observable. Changes in fair value of an investment property are recognized in profit or loss for the **year**s in which they are arise. All other investment property is measured at cost less impairment loss.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the **year** in which the item is derecognised.

2.11 Leases

a) At lessee

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.11 Leases (cont.)

a) At lessee (cont.)

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 2.12 on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or at the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

	Method	Useful life
Office	Straight-line	2
Motor vehicles	Straight-line	2
Hostel	Straight-line	2

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the year in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option. Lease payments associated with short-term leases and leases of low value assets are recognised on a straight- line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

The ROU assets are subject to impairment.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.11 Leases (cont.)

b) At lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

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

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the year in which they are earned.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.12 Impairment of Non-Financial Assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

The increase to its recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments

a) Initial recognition and measurement

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

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

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

b) Financial instrument categories and subsequent measurement

Financial assets

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments (cont.)

b) Financial instrument categories and subsequent measurement (cont.)

Financial assets (cont.)

For purpose of subsequent measurement financial assets are classified in four categories:

i) Amortised cost

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

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

ii) Fair value through other comprehensive income - debt instruments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieve by both collecting contractual cash flows and selling the debt investment, and its contractual term give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments (cont.)

b) Financial instrument categories and subsequent measurement (cont.)

Financial assets (cont.)

For purpose of subsequent measurement financial assets are classified in four categories: (cont.)

iii) Fair value through other comprehensive income - equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

iv) Fair value through profit or loss

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

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

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

The Group and the Company does not have any financial assets classified other than amortised cost.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments (cont.)

b) Financial instrument categories and subsequent measurement (cont.)

Financial liabilities

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

i) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method (EIR).

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gain or losses on derecognition are also recognised in the profit or loss.

ii) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair values basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group and the Company's key management personnel; or
- if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

The Group and the Company does not have any financial liabilities classified other than amortised cost.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments (cont.)

c) Regular way purchase or sale of financial asset

A regular way purchase or sale of financial assets in recognised and derecognised, as applicable, using trade date or settlement date accounting in the current financial year**.**

Trade date accounting refer to:

(i) the derecognition of an asset to be received and the liability to pay for it on the trade date, and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refer to:

(i) the derecognition on an asset on the day it is received by the Group and the Company, and
(ii) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group and the Company.

Any change in the fair value of an asset to be received during the year between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset. Generally, the Group and the Company apply settlement date accounting unless otherwise stated for the specific class of asset.

d) Derecognition

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments (cont.)

d) Derecognition (cont.)

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

e) Offsetting

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

2.14 Inventories

A Inventories comprising raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of inventories is determined on a weighted average basis. Net realisable value represents the estimated selling prices less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Cost of raw materials comprises the cost of purchase plus the cost of bringing the inventories to their present location and condition. Cost of work in progress and finished goods comprise the cost of raw materials used, direct labour, other direct costs and appropriate production overheads.

2.15 Impairment of Financial Assets

a) Financial assets

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.15 Impairment of Financial Assets (cont.)

a) Financial assets (cont.)

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit losses, except for cash and bank balance. Loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit loss.

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

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

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

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 are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.15 Impairment of Financial Assets (cont.)

b) Other assets

The carrying amount of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units (groups of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and cash in hand, which are subject to a significant risk of changes in value.

2.17 Share Capital

Ordinary shares are recorded at nominal value and proceeds received in excess, if any, of the nominal value of shares issued are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from share premium, if any, otherwise it is charged to profit or loss.

Dividends to shareholders are recognised in equity in the year in which they are declared.

2.18 Revenue Recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group and the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.18 Revenue Recognition (Cont.)

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

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

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Revenue is recognised only when it is probable that the Group and the Company will collect the considerations to which it will be entitled to in exchange for the goods or services sold.

2.19 Employee Benefits

a) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the year in which the associated services are rendered by employees.

b) Post-employment benefits

The Group and the Company pays monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Group and the Company is limited to the amount that they required to contribute to the EPF. The contributions to EPF are charged to profit or loss in the year to which they relate.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.20 Income Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group and the Company operate and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

(i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of taxable temporary differences associated with investments in associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.20 Income Taxes (Cont.)

b) Deferred tax (cont.)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

(i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.21 Earning/(loss) per Share

The Group presents basic and diluted earnings/(loss) per share data for its ordinary shares. Basic earnings per share 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 year, adjusted for own shares held.

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

2.22 Fair Value Measurement

The Fair value 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 except for fair value of shared-based payment. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.22 Fair Value Measurement (Cont.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

LEVEL 1: Quoted (unadjusted) market prices in active market for identical assets or liabilities.
LEVEL 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
LEVEL 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

Policies and procedures are determined by directors for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The directors decide, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movement in the values of assets and liabilities which are required to be re-measured or re-assessed according to the accounting policies of the Group and the Company. For this analysis, the senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The senior management, in conjunction with the external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.23 Related Parties

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Group and the Company if that person:

- has control or joint control over the Group and the Company; or
- has significant influence over the Group and the Company; or
- is a member of the key management personnel of the Group and the Company or of a parent of the Group and the Company.

(ii) An entity is related to the Group and the Company if any of the following conditions applies:

- the entity and the Group and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- the entity and the Group and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others). one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- both entities are joint ventures of the same third party.
- one entity is a joint venture of the third entity and the other entity is an associate of the third entity.
- the entity is a post-employment benefit plan for the benefit of employees of either the Group and the Company or an entity related to the Group and the Company. If the Group and the Company is itself such a plan, the sponsoring employers are also related to the Group and the Company.
- the entity is controlled or joint-controlled by a person identified in (a) above.
- the entity or any member of a group of which it is a part, provides key management personnel services to the Group and the Company or to the parent of the Company.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future years.

Accounting judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1. Judgement and Assumption Applied

In the selection of accounting policies for the Group and the Company, the areas that require significant judgements and assumptions are in:

(i) Satisfaction of performance obligations in relation to contracts with customers:

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT.)

3.1. Judgement and Assumption Applied (Cont.)

(i) Determining the lease term of contracts with renewal options - the Group as lessee:

The Group determines the lease term as the non-cancellable term of the lease, together with any years covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal year as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

3.2. Key Sources of Estimation Uncertainty

The measurement of some assets and liabilities requires directors to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Group and the Company are in measuring:

a) Impairment of loans and receivables

The Group and the Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT.)

3.2 Key Sources of Estimation Uncertainty (Cont.)

b) Measurement of income taxes

Significant judgement is required in determining the Group's and the Company's provision for current and deferred taxes because the ultimate tax liability for the Group and the Company is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the financial year when such determination is made. The Group and the Company will adjust for the differences as over- or under- provision of current or deferred taxes in the current financial **year** in which those differences arise.

c) Measurement of expected credit loss ("ECL")

Significant judgement is required in determining ECL. Directors need to identified and categorised financial assets into relevant segment by similar characteristic and credit risk. The directors need to apply suitable measurement method to measure ECL on the relevant segments.

d) Useful lives of property, plant and equipment and rights of use assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for the property, plant and equipment, and ROU asset are disclosed in Notes 4 and 6 respectively.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT.)

3.2 Key Sources of Estimation Uncertainty (Cont.)

e) Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the expected value method, whereby the transaction price is determined by reference to the sum of probability weighted amounts in a range of possible consideration amounts.

There is no significant financing as the year between the transfer of control of good or service to a customer and the payment date is always less than one year, and no non-cash consideration noted in the contracts with customers.

f) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

g) Impairment of property, plant and equipment

The Group and the Company assess impairment of these assets when events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value (after taking into account the costs to sell) or the value in use of the assets.

Significant variations to these assumptions and estimates could result in changes to the assessment of the recoverability of these non-financial assets are not recoverable, future financial results in the reporting year in which this determination is made will be affected.

4. **PROPERTY, PLANT AND EQUIPMENT**

Group	Buildings (at valuation) RM	Furniture and Fittings RM	Leasehold Land (at valuation) RM	Motor Vehicles RM	Renovation RM	Plant and Machinery (at valuation) RM	Capital in Progress RM	Total RM
Cost/Valuation								
At 30 September 2023 (restated)	8,428,214	3,630,552	9,658,234	67,981	17,293	14,985,177	3,894,374	40,681,825
Additional	301,319	18,635	20,361,001	55,028	-	2,828,568	2,207,900	25,772,451
Disposals	-	(3,198)	-	-	-	(7,617,795)	-	(7,620,993)
Transfer from Right of Used Assets (Note 6)	-	-	-	281,178	-	-	-	281,178
Transfer to Asset Held for Sale (Note 12)	(8,729,533)	-	(9,658,234)	-	-	-	(6,102,274)	(24,490,041)
At 28 February 2025	-	3,645,989	20,361,001	404,187	17,293	10,195,950	-	34,624,420
Additional	-	18,828	-	-	-	86,330	-	105,158
Disposals	-	(5,406)	-	(281,178)	-	-	-	(286,584)
At 28 February 2026	-	3,659,411	20,361,001	123,009	17,293	10,282,280	-	34,442,994

4. PROPERTY, PLANT AND EQUIPMENT (CONT.)

Group	Buildings (at valuation) RM	Furniture and Fittings RM	Leasehold Land (at valuation) RM	Motor Vehicles RM	Renovation RM	Plant and Machinery (at valuation) RM	Capital in Progress RM	Total RM
Accumulated Depreciation and Impairment								
At 30 September 2023 (restated)	171,517	1,819,448	197,040	49,431	7,160	4,787,768	-	7,032,364
Charge for the financial period	242,982	382,404	429,962	88,093	10,133	1,740,710	-	2,894,284
Disposals	-	(2,398)	-	-	-	(2,529,511)	-	(2,531,909)
Transfer from Right of Used Assets (Note 6)	-	-	-	112,471	-	-	-	112,471
Transfer to Asset Held for Sale (Note 12)	(414,499)	-	(476,180)	-	-	-	-	(890,679)
At 28 February 2025	-	2,199,454	150,822	249,995	17,293	3,998,967	-	6,616,531
Charge for the financial year	-	266,811	226,233	16,306	-	788,532	-	1,297,882
Disposals	-	(1,802)	-	(192,137)	-	-	-	(193,939)
At 28 February 2026	-	2,464,463	377,055	74,163	17,293	4,787,499	-	7,720,474
Net carrying amount								
At 28 February 2025	-	1,446,535	20,210,179	154,192	-	6,196,983	-	28,007,889
At 28 February 2026	-	1,194,948	19,983,946	48,846	-	5,494,781	-	26,722,520

4. PROPERTY, PLANT AND EQUIPMENT (CONT.)

Company	**Furniture, fittings and office equipment RM**	**Renovation RM**	**Total RM**
Cost			
At 1 October 2023	72,013	17,293	89,306
Additional	-	-	-
At 28 February 2025 and 1 March 2025	72,013	17,293	89,306
Additional	-	-	-
Disposal/Written Off	(5,406)	-	(5,406)
At 28 February 2026	66,607	17,293	83,900
Accumulated depreciation			
At 30 September 2023	23,425	7,160	30,585
Charge for the financial period	14,101	10,133	24,234
At 28 February 2025 and 1 March 2025	37,526	17,293	54,819
Charge for the financial year	8,128	-	8,128
Disposal/Written Off	(2,343)	-	(2,343)
At 28 February 2026	43,311	17,293	60,604
Net carrying amount			
At 28 February 2025	34,487	-	34,487
At 28 February 2026	23,296	-	23,296

a) Management determined that the leasehold land and factory buildings and plant and machinery constitute a separate class of asset under MFRS 13 Fair Value Measurements, based on the nature, characteristics and risks of the property.

Fair value of the leasehold land and factory buildings and plant and machinery was determined using market/comparison method. For valuation using market/comparison method, valuations performed by independent professional valuer are based on transacted market prices, adjusted for differences in location, size, tenure and other differences of the specific leasehold land and factory buildings and plant and machinery.

4. PROPERTY, PLANT AND EQUIPMENT (CONT.)

b) The leasehold land, buildings, plant and machinery of the Company were revalued in July and August 2022 respectively, the fair values are based on valuation performed by an independent professional valuer with experience in valuing land and buildings leasehold land, buildings, plant and machinery of similar nature.

Had the revalued short-term leasehold land and factory buildings and plant and machinery been carried at historical cost less accumulated depreciation, the carrying amount of the short-term leasehold land and factory buildings leasehold land and factory buildings and plant and machinery that would have been included in the financial statements of the Group is as follows:

Group	**Cost RM**	**Accumulated Depreciation RM**	**Net Book Value RM**
28 February 2026			
Leasehold land and building	14,839,047	(2,850,973)	11,988,074
Plant and machinery	29,966,204	(28,407,194)	1,559,010
28 February 2025			
Leasehold land and building	14,839,047	(2,850,973)	11,988,074
Plant and machinery	29,861,046	(27,344,952)	2,516,094

c) Capital in progress represent the cost incurred for extension of the existing factory and is anticipated to be completed within the next 12 months.

d) During the financial year, the Group acquired property, plant and equipment by cash payments amounting to RM105,158.

5. INVESTMENT IN ASSOCIATES

Company	28.02.2026 RM	28.02.2025 RM
Unquoted Ordinary Shares at Cost		
At beginning of year	-	-
Additional	2,542,200	-
At end of year	2,542,200	-

Name	Principal Place of Business	Ownership Interest 2026 (%)	Ownership Interest 2025 (%)	Principal Activities
Yuen Hing (Hong Kong) Technology Co. Limited	Hong Kong	20	-	Import and export trade
PMBI Technology Sdn Bhd	Malaysia	14	-	Provide software development, import and export of goods and technologies, information systems integration services

The investment in associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and subsequently adjusted for the Group's share of the post-acquisition profit or loss and other comprehensive income of the associate. As at the reporting date, the investment has not been fully paid.

6. RIGHT-OF-USE ASSETS

The Group and the Company has a lease contract for office, motor vehicles, building and hostel used in its operations that has lease terms of 2-5 years. Generally, the Group and the Company is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amount of right of use assets recognised and the movement during the financial year:

Group	**Office RM**	**Motor Vehicles RM**	**Hostel RM**	**Total RM**
Cost				
As at 1 October 2023	157,430	281,178	50,438	489,046
Transfer to Property, Plant and Equipment (Note 4)	-	(281,178)	-	(281,178)
Additional	83,994	-	81,881	165,875
As at 28 February 2025	241,424	-	132,319	373,743
Disposal	-	-	(132,319)	(132,319)
As at 28 February 2026	241,424	-	-	241,424

Group	**Office RM**	**Motor Vehicles RM**	**Hostel RM**	**Total RM**
Accumulated Amortisation				
As at 1 October 2023	108,499	112,471	14,711	235,681
Transfer to Property, Plant and Equipment (Note 4)	-	(112,471)	-	(112,471)
Charged for the period	59,430	-	49,374	108,804
As at 28 February 2025	167,929	-	64,085	232,014
Charged for the year	41,997	-	11,941	53,938
Disposal	-	-	(76,026)	(76,026)
As at 28 February 2026	209,926	-	-	209,926
Net Carrying Amount				
At 28 February 2025	73,495	-	68,234	141,729
At 28 February 2026	31,498	-	-	31,498

6. RIGHT-OF-USE ASSETS (CONT.)

Company	Office	Total
	RM	RM
Cost		
As at 1 October 2023	83,882	83,882
Additional	83,994	83,994
As at 28 February 2025 and 1 March 2025	167,876	167,876
Additional	-	-
As at 28 February 2026	167,876	167,876
Accumulated Amortisation		
As at 1 October 2023	34,951	34,951
Charged for the period	59,430	59,430
As at 28 February 2025 and 1 March 2025	94,381	94,381
Charged for the year	41,997	41,997
As at 28 February 2025	136,378	136,378
Net Carrying Amount		
At 28 February 2025	73,495	73,495
At 28 February 2026	31,498	31,498

a) The net carrying amount of the right of use assets pledged as securities for the related lease liabilities as disclosed in Note 18 are as follows:

Group	28.02.2026	28.02.2025
	RM	RM
Motor vehicles	-	-

b) During the financial year, the following amount were recognised in profit or loss:

	Group		Company	
	28.02.2026	28.02.2025	28.02.2026	28.02.2025
	RM	RM	RM	RM
Amortisation of right-of-use assets	53,938	108,804	41,997	59,430
Interest on lease liabilities	7,350	21,029	4,468	10,904

6. INVESTMENT IN SUBSIDIARIES

Company	28.02.2026 RM	28.02.2025 RM
Unquoted Ordinary Shares at Cost		
At beginning of year	42,437,660	42,428,060
Additional	9,400	9,600
At end of year	42,447,060	42,437,660
Unquoted Redeemable Convertible Non-Cumulative Preference Shares at Cost		
At beginning of year	44,317,000	40,284,000
Additional	96,000	4,033,000
At end of year	44,413,000	44,317,000
Share Options Granted to Employees of a Subsidiary Pursuant to Company's SIS		
At beginning of year	5,625,311	3,728,546
Granted during the year	-	1,896,765
Surrendered during the year	(249,664)	-
At end of year	5,375,647	5,625,311
Accumulated Impairment Losses		
At beginning of year	(31,443,642)	(25,735,479)
Additional	(2,043,335)	(5,708,163)
At end of year	(33,486,977)	(31,443,642)
Carrying Amount	58,748,730	60,936,329

Included in the carrying amount of investment in subsidiary companies are redeemable convertible non-cumulative preference shares in subsidiaries amounting to RM44,413,000.

7. INVESTMENT IN SUBSIDIARIES (CONT.)

Name	Principal Place of Business	Ownership Interest 2026 (%)	2025 (%)	Principal Activities
Microlead Precision Technology Sdn Bhd ("MPT")	Malaysia	100	100	i) manufacture moulds, tools, dies, jigs and fixtures for use in hard disk drives production. ii) manufacture advanced suspension tooling, semiconductor cavity/encapsulation moulds for application in hard disk drives and semiconductor industries. iii) manufacture advanced automation modules/assemblies for digital data storage, medical instrument systems/device and optoelectronics application and related components.
Star Acres Sdn Bhd	Malaysia	100	100	Investment holding company
MQ Builders Sdn Bhd	Malaysia	100	100	Construction of building N.E.C
Microlead Manufacturing Sdn Bhd	Malaysia	100	100	i) Manufacture of any other fabricated metal products N.E.C ii) Manufacture of measuring, testing, navigating and control equipment
Yixi Wellness Sdn Bhd	Malaysia	100	100	i) Wholesale of a variety of goods without any particular specialization N.E.C ii) Physiotherapy and occupational therapy service iii) Other human health services N.E.C

All the subsidiary companies above are audited by Jamal, Amin & Partners.

8. INVENTORIES

Group	28.02.2026 RM	28.02.2025 RM
Measured at lower of cost and net realised value:		
Raw materials	567,661	613,253
Work in progress	120,369	123,699
Finished goods	268,002	337,079
	956,032	1,074,031
Recognised in Profit or Loss		
Inventories recognised as cost of sales	8,463,113	8,747,204

9. TRADE RECEIVABLES

Group	28.02.2026 RM	28.02.2025 RM
Trade receivables	3,336,010	2,945,851
Less: Accumulated impairment losses	(724,237)	(724,237)
	2,611,773	2,221,614

Trade receivables are non-interest bearing and generally on 30 to 90 days (2025: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The ageing analysis of the Group's trade receivables are as follows:

Group	28.02.2026 RM	28.02.2025 RM
Neither past due nor impaired	940,369	753,566
1 to 30 days past due not impaired	1,024,137	731,495
31 to 90 days past due not impaired	654,200	737,215
91 to 180 days past due not impaired	(6,933)	(662)
More than 180 days past due not impaired	-	-
	2,611,773	2,221,614
Impaired	-	724,237
	2,611,773	2,945,851

Trade receivables that are neither past due nor individually impaired are creditworthy receivables with good payment records with the Group.

9. TRADE RECEIVABLES (CONT.)

The ageing analysis of the Group's trade receivables are as follows: (cont.)

Trade receivables that are neither past due nor impaired

Trade receivables that were neither past due nor impaired relate to customers for whom there were no default.

Trade receivables that are past due but not impaired

Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

The reconciliation of the allowance for expected credit losses for of other receivables and deposits and accumulated impairment losses of prepayments are as follows:

Group	**28.02.2026** **RM**	**28.02.2025** **RM**
At beginning of financial year	724,237	47,627
Addition	-	724,237
Reversal	(724,237)	(47,627)
At end of financial year	-	724,237

The currency exposure profile of trade receivables (gross) of the Group are as follows:

Group	**28.02.2026** **RM**	**28.02.2025** **RM**
Ringgit Malaysia	498,401	463,323
United States Dollar	2,113,372	1,758,291
	2,611,773	2,221,614

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2026

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
Other receivables	5,743,959	5,936,248	1,483,036	2,979,500
Less: Allowance for impairment losses	(1,379,500)	(1,379,500)	(1,379,500)	(1,379,500)
	4,364,459	4,556,748	103,536	1,600,000
Deposits	1,024,434	1,030,499	1,011,984	1,011,984
Less: Allowance for impairment losses	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
	24,434	30,499	11,984	11,984
Prepayments	10,801,070	10,885,108	2,746,366	8,393,732
Less: Allowance for impairment losses	(3,126,853)	(378,400)	(2,700,000)	-
	7,674,217	10,506,708	46,366	8,393,732
Total	12,063,110	15,093,955	161,886	10,005,716

The reconciliation of the allowance for expected credit losses for of other receivables and deposits and accumulated impairment losses of prepayments are as follows:

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
At beginning of financial year	2,757,900	1,357,900	2,379,500	979,500
Additions	2,748,453	1,400,000	2,700,000	1,400,000
Written off	-	-	-	-
At end of financial year	5,506,353	2,757,900	5,079,500	2,379,500

11. AMOUNT DUE FROM/(TO) SUBSIDIARIES

Amount due from/(to) subsidiaries are non-trade in nature, unsecured, interest free and recoverable on demand.

12. ASSETS HELD FOR SALE

The assets classified as held for sale comprise of the following:

Group	28.02.2026 RM	28.02.2025 RM
At beginning of financial year	29,602,274	-
Transfer from Property, Plant and Equipment (Note 4)	-	23,599,362
Gain on fair value of property, plant and equipment	-	504,592
Transfer from Investment Properties (Note 5)	-	5,498,320
Development cost	364,321	-
At end of financial year	29,966,595	29,602,274

During the financial year, additional costs amounting to RM364,321 were incurred in relation to the asset held for sale, resulting in an increase in its carrying amount.

The disposal is expected to be completed by the end of June 2026, following the delay in obtaining the Certificate of Completion and Compliance ("CCC"). The asset continues to be classified as held for sale as at 28 February 2026.

13. FIXED DEPOSIT WITH LICENSED BANKS

These fixed deposits of the Group amounting to RM260,000 have been pledged to a licensed bank as security for the bank guarantee issued in favor of Tenaga Nasional Berhad for the supply of electricity. This deposit is being placed in the name of a former director who is holding it in trust for the Group.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
Cash in hand	10,248	12,908	-	-
Cash at bank	454,323	574,428	34,534	121,715
	464,571	587,336	34,534	121,715

The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
Ringgit Malaysia	437,208	543,937	34,534	121,715
United States Dollar	27,363	43,399	-	-
	464,571	587,336	34,534	121,715

15. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	28.02.2026 Unit	28.02.2025 Unit	28.02.2026 RM	28.02.2025 RM
Issued and fully paid				
Beginning of financial year	206,554,653	1,381,215,831	57,103,798	95,130,798
Addition:				
Issue of shares pursuant to conversion bond	20,000,000	43,000,000	1,000,000	4,300,000
Issue of shares pursuant to exercise of ESOS	-	254,333,700	-	4,862,005
Transfer from share option reserve upon exercise of SIS	-	-	-	2,810,453
	226,554,653	1,678,549,531	58,103,798	107,103,256
Less: Share capital reduction	-	-	-	(50,000,000)
Less: Share consolidation	-	(1,471,994,878)	-	-
End of the financial year	226,554,653	206,554,653	58,103,798	57,103,256

During the reporting year, the Company increased its issued and paid-up capital via the following:

(i) On 6 January 2026, the Company issued 20,000,000 new ordinary shares pursuant to the conversion of bonds at a conversion price of RM0.05 per ordinary share, for a total consideration of RM1,000,000;

(ii) On 27 February, the Company issued further 20,000,000 new ordinary shares pursuant to the conversion of bonds at a conversion price of RM0.05 per ordinary share, for a total consideration of RM1,000,000;

On the newly issued shares rank pari passu in all respects with the existing issued shares.

16. RESERVE

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
Revaluation reserves	4,399,653	4,399,653	-	-
Employee share option reserves		481,504	-	481,504
	4,399,653	4,881,157	-	481,504

a) Revaluation reserves

The revaluation reserve represents revaluation surplus arising from leasehold land and factory buildings and plant and machinery. The revaluation reserve is used to record increase in the fair value leasehold land and factory buildings and plant and machinery and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

b) Share issuance scheme reserves

This represents the equity settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting year commencing from the grant date of equity settled share options, and is reduced by the expiry or exercise of the share options.

17. REDEEMABLE CONVERTIBLE BOND

	Company	
	28.02.2026 RM	28.02.2025 RM
Proceeds from issue of 7,000,000 convertible bond	7,000,000	7,000,000
Further proceeds from issue of 1,200,000 convertible bond	1,200,000	-
Redemption of convertible bond during the year	(900,000)	-
Transaction costs	(4,405,589)	(4,442,546)
Net proceeds	2,894,411	2,557,454
Amount classified as equity	(236,075)	(333,557)
Amount converted to ordinary shares	(1,000,000)	-
Accredited interest	105,589	142,546
Carrying amount at 28 February 2026	1,763,925	2,366,443

The convertible notes carry a coupon rate of 2% per annum.

17. REDEEMABLE CONVERTIBLE BOND (CONT.)

The salient features of the RCB are as follows:

a) The bond was subscribed on 15 October 2024 and is in force for 3 years;

b) The total number of issuance bonds shall up Up to RM150.00 million in aggregate nominal value, divided into 3 Main Tranches Bonds, in the following manner;

c) The Bonds shall bear interest at a rate of 2.0% per annum, accruing from their respective issue and registration dates, and shall be payable semi-annually with the final interest payment made on the Maturity Date;

d) The Bonds may be converted into duly authorised, validly issued, can be converted in the year from 15 October 2024 until 15 October 2026 fully-paid and unencumbered Shares, at the option of the Bond Holder thereof;

e) The Bonds shall not be issued to the Subscriber pursuant to a Relevant Bonds Subscription Notice if, the total number of Conversion Shares already issued and not would exceed 327,109,900 Conversion Shares representing 200% of the issued shares;

f) Conversion year shall be at any time, from and including the respective dates on which the Bonds are issued and registered in accordance with the Subscription Agreement;

g) The Conversion Price shall be fixed 10 cents per Share over any three consecutive Business Days selected by the Bond Holder. Conversion Price shall not be lower than the Minimum Conversion Price (MCP);

h) Conversion date shall be on the date of the conversion notice received;

i) The Bonds shall rank at least pari passu in priority of payment with all other unsecured and unsubordinated indebtedness of the Company.

18. LEASE LIABILITIES

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
At beginning of the year	143,779	184,217	74,251	51,299
Additions	-	149,875	-	83,994
Termination of lease	(58,410)	-	-	-
Interest charged	7,350	9,036	4,468	3,558
Repayments	(59,600)	(96,499)	(45,600)	(64,600)
Reclass to Finance Lease (Note 19)	-	(102,850)	-	-
At the end of the year	33,119	143,779	33,119	74,251
Future Minimum Lease Payments:				
Not later than one year	34,200	70,433	34,200	45,600
Later than one year but not later than five years	-	84,373	-	34,200
	34,200	154,806	34,200	79,800
Less: Future finance charges	(1,081)	(11,027)	(1,081)	(5,549)
	33,119	143,779	33,119	74,251
Present Value of:				
Not later than one year	33,119	60,487	33,119	41,132
Later than one year but not later than five years	-	83,292	-	33,119
	33,119	143,779	33,119	74,251

18. LEASE LIABILITIES (CONT.)

The interest rate of the Group and of the Company at reporting date range from 2.22% to 6.75% (2025: 2.22% to 6.75%).

The Group and the Company lease motor vehicles, office and hostel. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The amount of lease liabilities expenses recognised in the Company's profit or loss for the financial year ended 28 February 2026 is disclosed in Note 6.

19. FINANCE LEASE

	Group	
	28.02.2026	**28.02.2025**
	RM	**RM**
Secured	-	53,751
Finance lease		
Non current	-	21,935
Current	-	31,816
	-	53,751
At the beginning of the year		-
Reclass from Lease Liabilities (Note 18)	53,751	96,499
Early settlement	(33,002)	-
Repayment	(22,304)	(47,395)
Interest charged	1,555	4,647
At the end of the year/period	-	53,751
Future minimum lease payments		
Not later than one year	-	33,456
Later than one year but not later than five years	-	22,274
	-	55,730
Less: Future finance charges	-	(1,979)
	-	53,751

The interest rate of the Group at reporting date ranging from 4.32% - 6.21% (2025: 4.32% - 6.21%).

20. DEFERRRED TAX LIABILITIES

	Group	
	28.02.2026	28.02.2025
	RM	RM
At beginning of financial year	1,605,529	1,605,529
Recognised in profit/loss (Note 26)	284,813	-
At end of financial year	1,890,342	1,605,529

The components of deferred tax liabilities during the financial year are as follows:

	Group	
	28.02.2026	28.02.2025
	RM	RM
Property, plant and equipment	1,890,342	1,605,529

21. TRADE PAYABLES

	Group	
	28.02.2026	28.02.2025
	RM	RM
Trade payables	623,049	435,537

The normal trade credit term granted to the Group range from 30 to 90 days (2025: 30 to 90 days) depending on the terms of the contracts.

The currency exposure profile of trade payables of the Company are as follows:

	Group	
	28.02.2026	28.02.2025
	RM	RM
Ringgit Malaysia	316,630	194,799
United States Dollar	306,419	240,738
	623,049	435,537

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	28.02.2026	**28.02.2025**	**28.02.2026**	**28.02.2025**
	RM	**RM**	**RM**	**RM**
Other payables	7,124,244	1,219,911	2,267,027	306,353
Accruals	745,858	804,585	55,401	130,821
Deposits	6,028,908	6,022,500	-	-
Amount due to Directors	392,821	296,890	135,818	96,890
	14,296,131	8,343,886	2,458,246	534,064

23. REVENUE

	Group	
	28.02.2026	**28.02.2025**
	RM	**RM**
Revenue from Contract with Customers:		
Sales of goods	9,311,039	10,808,133

Breakdown of the Group's revenue from contracts with customers:

	Group	
	28.02.2026	**28.02.2025**
	RM	**RM**
Geographical Market		
Malaysia	2,208,925	2,648,315
Thailand	6,227,337	6,487,490
Singapore	-	22,237
United States	546,086	752,817
Australia	6,658	-
Ireland	322,033	897,274
	9,311,039	10,808,133
Timing of Revenue Recognition		
At a point of time	9,311,039	10,808,133

24. OTHER INCOME

	Group	
	28.02.2026 RM	28.02.2025 RM
Gain on investment properties	-	1,398,320
Interest income	60	161
Insurance claim	-	1,101
Gain on disposal of property, plant and equipment	2,450	-
Rental received	570,000	782,250
Gain on lease termination	2,117	-
Other income	41,120	66,675
	615,747	2,248,507

25. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting) the following:

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
Auditors' remuneration:				
Current financial year	150,000	150,000	61,000	61,000
Under provision in prior financial year	1,880	5,520	1,880	4,140
Depreciation of property, plant and equipment	1,335,914	2,894,284	8,128	24,234
Amortisation of right of use assets	53,938	108,804	41,997	59,430
Impairment loss on trade receivables	-	724,237	-	-
Impairment loss on other receivable	2,752,253	1,400,000	2,700,000	1,400,000

25. LOSS BEFORE TAX (CONT.)

Loss before tax is arrived at after charging/(crediting) the following: (cont.)

	Group		Company	
	28.02.2026 RM	**28.02.2025 RM**	**28.02.2026 RM**	**28.02.2025 RM**
Reversal on impairment on other receivables	-	(47,627)	-	-
(Gain)/Loss on disposal property, plant and equipment	(2,450)	2,275,967	-	-
Property, plant and equipment written off	3,063	800	3,063	-
Staff cost (Note 28)	1,312,587	6,027,134	697,194	1,086,112
Lease liabilities interest	7,350	21,029	4,468	10,904

26. TAXATION

Major components of tax expenses

	Group		Company	
	28.02.2026 RM	**28.02.2025 RM**	**28.02.2026 RM**	**28.02.2025 RM**
Income Tax				
Under provision in prior financial year	20	19	-	-
Deferred Tax (Note 20)				
Under provision in prior financial year	284,813	-	-	-

26. TAXATION (CONT.)

Reconciliation between income tax expenses and the product of accounting profit/(loss) multiplied by the statutory tax rate is as follows:

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
Loss before tax	(5,273,329)	(11,990,576)	(6,305,559)	(11,448,715)
Income tax calculated at rate of 24% (2025: 24%)	(1,265,599)	(2,877,738)	(1,513,334)	(2,747,692)
Income not subject to tax	(10,965)	(335,597)		-
Tax effects of expenses not deductibles for tax purposes	1,276,564	2,788,968	1,513,334	2,747,692
Underprovision for deferred tax in prior financial year	284,813	-	-	-
Underprovision for income tax in prior financial year	20	-	-	-
Deferred tax assets not recognised during the financial year	-	424,386	-	-
	284,833	19	-	-

The amounts of temporary differences for which not deferred tax assets have been recognised in the statement of financial position are as follows:

	Group	
	28.02.2026 RM	28.02.2025 RM
Unutilised tax losses	(13,858,624)	(13,858,624)
Unabsorbed capital allowances	(11,614,883)	(11,614,883)

Deferred tax assets have not been recognised in respect of these items as it is not probable that the future taxable profit of the Group and the Company will be available against which the deductible temporary differences can be utilised.

With effect from year of assessment 2022, unused tax losses are allowed to be carried forward up to a maximum of ten consecutive years of assessment under current tax legislation. The other temporary differences do not expire under current tax legislation.

27. LOSS PER SHARE

a) Basic loss per share

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	28.02.2026	28.02.2025
Loss attributable to the owners of the parent for basic loss (RM)	(5,558,162)	(11,990,595)
Weighted average number of ordinary shares issue (unit)	207,979,311	197,150,194
Basic loss per ordinary share (sen)	(2.67)	(6.08)

b) Diluted loss per share

The Group has no dilution in their loss per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

28. STAFF COSTS

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
Salaries, fees, bonuses and allowances	1,228,598	5,487,993	630,851	978,700
Social security contributions	30,678	77,203	3,533	5,467
Other benefits	53,311	461,938	62,810	101,945
	1,312,587	6,027,134	697,194	1,086,112

i. Included in staff costs is the aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
Executive Directors of the Company				
Fees	273,851	357,000	236,351	357,000
Salaries and other emoluments	291,500	679,500	141,000	375,500
Social security contributions	5,461	5,461	1,510	2,489
Other benefits	35,722	78,204	17,242	45,567
	606,534	1,120,165	396,103	780,556

ii. Equity-Settled Share-Based Payments

The fair value of services received in return for share options granted is based on the market price of the grant date with value of RM0.0408. Grant date is the date that the Company and its employees agree to a share-based payment arrangement, being when the entity and the Company and its employees have a shared understanding of the terms and conditions of the agreement.

29. CATEGORIES OF FINANCIAL INSTRUMENT

The table below provides an analysis of financial instruments categorised as follows:

	Group		Company	
	28.02.2026 RM	**28.02.2025 RM**	**28.02.2026 RM**	**28.02.2025 RM**
Financial Assets				
Measured at amortised costs				
Trade receivables	2,611,773	2,221,614	-	-
Other receivables and deposits	4,388,893	4,587,249	115,520	1,611,984
Amount due from subsidiary companies	-	-	7,962,026	2,238
Amount due from related companies	3,286,690	-	3,286,690	-
Fixed deposits with licensed banks	260,000	260,000	-	-
Cash and cash equivalents	464,571	587,336	34,534	121,715
	11,011,927	7,656,198	11,398,770	1,735,937
Financial Liabilities				
Measured at amortised costs				
Trade payables	623,049	435,537	-	-
Other payables and accruals	14,296,131	8,343,886	6,310,139	534,064
Leased liabilities	33,119	143,779	33,119	74,251
	14,952,299	8,923,202	6,343,258	608,315

30. OPERATING SEGMENTS

Other segments comprise companies providing manufacturing, investment holding and others. The Executive Directors assess the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

The Executive Directors are of the opinion that all inter segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties.

30. OPERATING SEGMENTS (CONT.)

Business Segments

Group

	Manufacture RM	Investment Holding RM	Others RM	Consolidation /Elimination RM	Total RM
Revenue					
External revenue	9,307,558	3,481			9,311,039
Results					
Segment results	(551,188)	(6,084,976)	(455,609)	2,043,335	(5,048,438)
Interest expense	(2,882)	(220,583)	(1,487)	-	(224,952)
Interest income	33	-	28	-	61
Loss before tax	(554,037)	(6,305,559)	(457,068)	2,043,335	(5,273,329)
Tax expense	(284,813)	-	(20)	-	(284,833)
Loss after tax	(838,850)	(6,305,559)	(457,088)	2,043,335	(5,558,162)
Assets					
Segment assets	48,793,923	76,084,551	32,080,515	(71,462,717)	82,209,582
Other Information					
Depreciation of property, plant and equipment	1,062,242	8,128	265,544	-	1,335,914
Depreciation of right of use assets	11,941	41,997	-	-	53,938
(Gain)/Loss on disposal of property, plant and equipment	-	-	(2,450)	-	(2,450)
Written off of property, plant and equipment	3,063	-	-	-	3,063

31. FINANCIAL INSTRUMENTS

The Group and the Company have exposure to the following risks from its use of financial instruments:

a) Credit risk

The Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The exposure of the Group and the Company to credit risk arises principally from trade receivables and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The objective of the Group and the Company is to seek continual revenue growth while minimising losses incurred due to increase in credit risk exposure. The Group and the Company trade with all third parties but will only provide credit terms upon approval of the management.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or 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. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting year represent the Group's and Company's maximum exposure to credit risk.

The Group and the Company has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

31. FINANCIAL INSTRUMENTS (CONT.)

a) Credit risk (cont.)

Trade receivables

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group and the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group and 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.

The maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position at the end of the reporting year.

In managing credit risk of trade receivables, the Group and the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days.

The Group and the Company uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 61 days will be considered as credit impaired.
Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Credit risk concentration profile

At the end of the financial year, the Group has a significant concentration of credit risk in the form of two (2025: two) trade receivables, representing approximately 70% (2025: 70%) of the Group's trade receivables. The Company has no significant concentration of credit risks except for advances to its subsidiary companies.

31. FINANCIAL INSTRUMENTS (CONT.)

a) Credit risk (cont.)

Trade receivables (cont.)

Loss rates are based on actual credit loss experience over the past three years. The Group and the Company also considers differences between (a) economic conditions during the year over which the historic data has been collected, (b) current conditions and (c) the Group's and the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group and the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Current RM	1 to 30 days past due RM	31 to 60 days past due RM	61 to 90 days past due RM	> 90 days past due	Total past due
28.02.2026						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Gross carrying amount at defaults	940,369	1,024,137	611,645	42,555	(6,933)	2,611,773
Expected credit loss	-	-	-	-	-	-
	940,369	1,024,137	611,645	42,555	(6,933)	2,611,773
28.02.2025						
Expected credit loss rate	0%	0%	1.3%	0%	99.32%	24.99%
Gross carrying amount at defaults	704,878	725,920	607,146	139,125	768,782	2,945,851
Expected credit loss	-	-	(7,996)	-	(716,241)	(724,237)
	704,878	725,920	599,150	139,125	52,541	2,221,614

31. FINANCIAL INSTRUMENTS (CONT.)

a) Credit risk (cont.)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided.

Other receivables

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting year and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting year.

b) 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 exposure of the Group and the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.
The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that then cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

31. FINANCIAL INSTRUMENTS (CONT.)

b) Liquidity risk (cont.)

Analysis of financial liabilities by remaining contractual maturity obligations

The table below summarises the maturity profile of the Group and the Company's liabilities at the statement of financial position based on contractual undiscounted repayment obligations:

Group	Carrying Amount RM	Contractual Cash Flows RM	Less than 1 year RM	1 to 5 years RM
28.02.2026				
Financial Liabilities				
Trade payables	623,049	623,049	623,049	-
Other payables and accruals	13,903,310	13,903,310	13,903,310	-
Lease liabilities	33,119	33,119	33,119	-
Redeemable convertible bond	1,763,925	1,763,925	-	1,763,925
	16,323,403	16,323,403	14,559,478	1,763,925
28.02.2025				
Financial Liabilities				
Trade payables	435,537	435,537	435,537	-
Other payables and accruals	8,046,996	8,046,996	8,046,996	-
Lease liabilities	197,530	197,530	92,303	105,227
Redeemable convertible bond	2,366,443	2,366,443	-	2,366,443
	11,046,506	11,046,506	8,574,836	2,471,670
Company				
28.02.2026				
Financial Liabilities				
Other payables and accruals	2,322,428	2,322,428	2,322,428	-
Lease liabilities	33,119	33,119	33,119	-
Redeemable convertible bond	1,763,925	1,763,925	-	1,763,925
	4,119,472	4,119,472	2,355,547	1,763,925
28.02.2025				
Financial Liabilities				
Other payables and accruals	534,064	534,064	534,064	-
Lease liabilities	79,800	79,800	45,600	34,200
Redeemable convertible bond	2,366,443	2,366,443-	-	2,366,443
	2,980,307	2,980,307	579,664	2,400,643

31. FINANCIAL INSTRUMENTS (CONT.)

c) Market risk

The Company's exposure to a risk of change in their fair value due to changes in interest rates related primarily from their fixed depo
sits and lease liabilities.

Exposure to interest rate risk

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

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
Fixed rate				
Financial Assets				
Fixed deposits with licensed banks	260,000	260,000	-	-
Financial Liabilities				
Leased liabilities	33,119	143,779	33,119	74,251

d) Foreign currency risk

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

The Group's exposure to foreign currency risk on business transactions, receivables, payables are mainly denominated in currencies other than respective functional currencies of the Group entities. The currencies giving rise to the risk are primarily United States Dollar (USD) and Singapore Dollar (SGD). Presently the Company has no intention of hedging its foreign exchange risk profile.

31. FINANCIAL INSTRUMENTS (CONT.)

d) Foreign currency risk (cont.)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting year are as follows:

	USD RM	Total RM
28.02.2026		
Trade receivables	2,113,372	2,113,372
Cash and cash equivalents	27,363	27,363
Trade payables	(306,419)	(306,419)
	1,834,316	1,834,316
28.02.2025		
Trade receivables	1,758,291	1,758,291
Cash and cash equivalents	43,399	43,399
Trade payables	(240,738)	(240,738)
	1,560,952	1,560,952

Currency risk sensitivity analysis

A 10% strengthening of the following currencies against at the end of the reporting year would have decreased equity and increased pre-tax profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

		Effect on profit before tax	
		28.02.2026 RM	28.02.2025 RM
United States Dollar	Strengthen by 10%	183,432	156,095
	Weaken by 10%	(183,432)	(156,095)

32. CAPITAL MANAGEMENT

Foreign The Group's and the Company's objectives when managing capital are to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern and to maintain a capital structure, so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company manage need determines the capital structure and policies in the light of changes in economic conditions and the risk characteristics of the underlying assets. No changes were made in the objectives, policies and processes during the financial year.

The Group and the Company monitor capital based on gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as trade payables, other payables, accruals and lease liabilities less cash and cash equivalents. Total capital is calculated as total equity plus net debt. The gearing ratio are as follows:

	Group		Company	
	28.02.2026 RM	28.02.2025 RM	28.02.2026 RM	28.02.2025 RM
Trade payables	623,049	435,537	-	-
Other payables and accruals	14,296,131	8,343,886	6,310,139	534,064
Leased liabilities	33,119	197,530	33,119	74,251
Less: Cash and cash equivalents	(464,571)	(587,336)	(464,571)	(121,715)
Net Debt	14,487,728	8,389,617	5,878,687	486,600
Total Equity	58,103,256	64,053,474	59,343,239	65,227,784
Gearing Ratio	24.93%	13.10%	9.91%	0.75%

33. FAIR VALUE OF ASSET AND LIABILITIES

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss.

Fair value of financial instruments that are carried at fair value:

i. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximate fair value.

ii. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximate fair value.

Trade and other receivables, cash and cash equivalents, trade and other payables, the carrying amount of these financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature of that they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting year.

The following table provides an analysis of each class of assets measured at fair value at the end of the reporting year:

	Fair Value Measurements at the end of the Reporting Year using			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
28.02.2026				
Plant and machinery	-	-	-	-
28.02.2025				
Plant and machinery	-	-	6,196,983	6,196,983

34. SIGNIFICANT EVENT AFTER THE FINANCIAL YEAR

1. On 25 May 2026, the Company was served with a Writ of Summons and Statement of Claim by AIA Bhd in respect of an alleged breach of a tenancy agreement. The Plaintiff is claiming, among others, outstanding rental and related charges amounting to RM273,770.29 together with interest, costs and other reliefs.

   The Company had accrued the outstanding rental and related charges amounting to RM273,770.29 in these financial statements.

   On 25 June 2026, the Sessions Court directed the Company to file its Defence on or before 10 July 2026, and the Plaintiff to file its Reply to Defence, if any, on or before 24 July 2026. The next case management has been fixed on 27 July 2026.

2. Subsequent to the financial year end, the Company announced that the vendor and purchaser had mutually agreed to extend the cut-off date for the fulfilment of the conditions precedent under the Sale and Purchase Agreement ("SPA") dated 19 February 2025 from 1 May 2026 to 31 May 2026.

   Subsequently, the Certificate of Completion and Compliance ("CCC") for the leasehold industrial land and factory building held for sale was obtained. On 23 June 2026, the SPA became unconditional following the purchaser's agreement to waive the remaining conditions precedent.

   As at the date of approval of these financial statements, the proposed disposal has not been completed

35. COMPARATIVE FIGURE

Certain comparative figures have been reclassified and/or rearranged to conform with the current year's presentation. Such reclassification and rearrangement do not affect the previously reported profit for the financial year or equity of the Group and of the Company

36. AUTHORISATIONS OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 28 February 2026 were authorised for issue in accordance with a resolution of the directors on 29 June 2026.

LIST OF PROPERTIES

No	Name of Registered Owner / Postal Address / Title Identification	Approximate Age of Building / Tenure / Date of Expiry of Lease	Building Description/ Existing Use	Land Area/ Built up area (Sq ft)	Date of Acquisition	Audited Carrying Amount as at 28.02.2026
1	**MICROLEAD PRECISION TECHNOLOGY SDN BHD** Plot 86 (B) Lintang Bayan Lepas 9, Bayan Lepas Industrial Park 4, 11900 Penang / H.S.(D) 20655, P.T. 5289, Mukim 12, Daerah Barat Daya, Penang.	21.5 years / Leasehold land / 11.09.2065	1) 1½ storey 2) Extension 1½ storey 3) Extension 3 storeys/ Factory and Office premises	82,340 / 53,671	26.08.2004	29,966,595
2	**STAR ACRES SDN BHD** Plot 86-B, Lintang Bayan Lepas 9, Bayan Lepas Industrial Park 4, 11900 Bayan Lepas, Pulau Pinang. PN 63030, Part of Lot 1, Kawasan Bandar XLV, District of Melaka Tengah, State of Melaka.	11 years/ Leasehold land/ 13.07.2114	Vacant Land	311,671	30.01.2024	19,983,945

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares	:	226,554,653 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 25 MAY 2026

Size of Holdings		No. of Shareholders	No. of Shares	Percentage (%)
1 – 99		1,075	25,950	0.011
100 – 1,000		2,950	1,758,739	0.776
1,001 – 10,000		4,247	18,578,862	8.200
10,001 – 100,000		1,616	51,597,820	22.774
100,001 – 11,327,731*		228	154,593,282	68.236
11,327,732 and above**		0	0	0.000
	Total	10,116	226,554,653	100.00

Notes * Less than 5% of the issued shares
** 5% and above of the issued shares

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 25 MAY 2026

Name	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
-	-	-	-	-

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 25 MAY 2026

Name	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
DATO' MASRUL AFFENDY BIN MASRAM	-	-	-	-
DATO' NURULHIDAYAH BINTI AHMAD ZAHID	-	-	-	-
KOAY BOON HOOI	-	-	-	-
LOW HENN KAI	50,000	0.022	-	-
MARY SUSILA A/P N.PERUMAL	-	-	-	-
TERENCE CHEAH EU LEE	-	-	-	-

ANALYSIS OF SHAREHOLDINGS *(CONT'D)*

THIRTY (30) LARGEST SHAREHOLDERS AS AT 25 MAY 2026

No.	Names	No. of Shares	Percentage (%)
1.	ANG TIN FOO (DATO' SERI)	10,000,000	4.413
2.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TING DING CHEN (MF00458)	10,000,000	4.413
3.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI TEAN SENG	9,000,200	3.972
4.	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK	7,333,800	3.237
5.	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR TRITON CAPITAL FUND VCC	7,274,800	3.211
6.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	7,044,700	3.109
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD TAN POW CHOO @ WONG SENG ENG (EM1-CN)	5,153,700	2.274
8.	SEIK LEE BE	5,000,000	2.206
9.	TONG SIAN SHYEN	4,960,000	2.189
10.	KOK SENG PING	4,540,040	2.003
11.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG	4,284,000	1.890
12.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN SWEE BOOI	4,173,000	1.841
13.	LIM KOK PENG	2,580,000	1.138
14.	IFAST NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR WEBULL SECURITIES SDN. BHD.	2,416,601	1.066
15.	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG JOHN LEE	2,154,100	0.950
16.	ANG JOHN LEE	2,051,800	0.905
17.	SIA BANG WEN	2,000,000	0.882
18.	OOI KIM SEW	1,500,000	0.662
19.	YANG LI FONG	1,390,800	0.613
20.	CHO KWAI CHING	1,367,000	0.603
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG LIN CHIN (E-BPT)	1,237,900	0.546
22.	KENANGA NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	1,222,010	0.539
23.	LEE MING CHAI	1,118,460	0.493
24.	LIEW KAP SEM	1,100,000	0.485
25.	ROZEE BIN NOOR	1,100,000	0.485
26.	ANG JOHN LEE	1,033,100	0.456
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YEE HUI (E-JAH)	925,000	0.408
28.	TANG KOK MENG	900,000	0.397
29.	SIM TZE SIAN	887,000	0.391
30.	ONG TEONG YEW	849,700	0.375
	TOTAL	**104,597,711**	**46.168**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting ("**22nd AGM**") of the Company will be held at Seminar Room 1, Kelab Golf Negara Subang, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor on Thursday, 27 August 2026 at 11.00 a.m. to transact the following business:-

AGENDA

Ordinary Business

1.	To receive the Audited Financial Statements for the financial year ended 28 February 2026 together with the Reports of the Directors and Auditors thereon.	**Please refer to Note B**
2.	To approve the payment of Directors' fees and benefits of not exceeding RM400,000.00 from 28 August 2026 until the next Annual General Meeting of the Company to be held in 2027.	**Resolution 1**
3.	To re-elect Dato' Nurulhidayah Binti Ahmad Zahid who retires in accordance with Clause 97 of the Company's Constitution and being eligible, has offered herself for re-election.	**Resolution 2**
4.	To re-elect Mr. Low Henn Kai who retires in accordance with Clause 104 of the Company's Constitution and being eligible, has offered himself for re-election.	**Resolution 3**
5.	To re-elect Dato' Masrul Affendy bin Masram who retires in accordance with Clause 104 of the Company's Constitution and being eligible, has offered himself for re-election.	**Resolution 4**
6.	To re-elect Mary Susila A/P N.Perumal who retires in accordance with Clause 104 of the Company's Constitution and being eligible, has offered herself for re-election.	**Resolution 5**
7.	To re-appoint Messrs. Jamal, Amin & Partners as the Auditors of the Company and authorise the Directors to fix their remuneration.	**Resolution 6**

Special Business

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

8. **AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** — **Resolution 7**

"**THAT** subject always to the Companies Act, 2016 ("Act"), Company's Constitution, Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Securities **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 54 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

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

By Order of the Board
MQ TECHNOLOGY BERHAD

LIM LI HEONG (MAICSA 7054716)
(SSM Practising Certificate No.: 202008001981)

WONG MEE KIAT (MAICSA 7058813)
(SSM Practising Certificate No.: 202008001958)

Company Secretaries
Kuala Lumpur
30 June 2026

Notes:-

A. Proxy

1. A member of the Company entitled to attend and vote is entitled to appoint any person as his proxy to attend and vote in his stead. There is no restriction as to the qualification of the proxy.
2. A member entitled to attend and vote is entitled to appoint two (2) or more proxies to attend and vote in his stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
4. Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a Member of the Company is an exempt authorised nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. For a proxy to be valid, the instrument appointing a proxy shall be deposited at the Registered Office, Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time for holding the meeting and any adjournments thereof. In the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).

General Meeting Record of Depositors

7. Only a depositor whose name appears on the Record of Depositors of the Company as at 21 August 2026 shall be entitled to attend this Meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

B. Audited Financial Statements for the financial year ended 28 February 2026

The Audited Financial Statements under Agenda 1 are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only as the approval of shareholders is not required. Hence, this Agenda is not put forward for voting by the shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES ON SPECIAL BUSINESS

(a) Ordinary Resolution 1 - Payment of Directors' Fees and Benefits Payable

Shareholders' approval is sought at this AGM for the payment of Directors' Fees and Benefits of not exceeding of RM400,000.00 for the period commencing from 28 August 2026 until the next AGM of the Company to be held in 2027. The Directors' Fees and Benefits Payable consist of Directors' Fee paid monthly for duties performed as Directors and attendance allowance for Board, Board Committee and general meetings attended.

The total amount of RM400,000.00 is estimated based on the current Board size and the estimated number of scheduled and additional unscheduled Board, Board Committees and general meetings to be held.

(b) Ordinary Resolution 2 – Re-election of Director

Dato' Nurulhidayah Binti Ahmad Zahid is retiring by rotation pursuant to Clause 97 of the Constitution of the Company and is standing for re-election at this AGM. Her profile is provided in the Directors' Profile of this Annual Report 2026.

In recommending her re-election, the Nomination Committee ("**NC**") of the Company had assessed the contribution and the fit and proper criteria of the Director. The Board had endorsed the NC's recommendation that Dato' Nurulhidayah Binti Ahmad Zahid be re-elected as Director of the Company.

(c) Ordinary Resolutions 3 to 5 – Re-election of Directors

Mr. Low Henn Kai, Dato' Masrul Affendy bin Masram, and Mary Susila A/P N.Perumal are retiring pursuant to Clause 104 of the Constitution of the Company and are standing for re-election at this AGM. Their profiles are provided in the Directors' Profile of this Annual Report 2026.

In recommending their re-election, the NC of the Company had assessed the contribution and the fit and proper criteria of the respective Directors. The Board had endorsed the NC's recommendation that Mr. Low Henn Kai, Dato' Masrul Affendy bin Masram, and Mary Susila A/P N.Perumal be re-elected as Directors of the Company.

(d) Ordinary Resolution 7 - Authority for Directors to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The Proposed Ordinary Resolution 7, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The general mandate sought for issue of shares is a renewal of the mandate approved by the shareholders at the last AGM held on 26 August 2025 which will lapse at the conclusion of this AGM.

This authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

There were no shares issued from the previous mandate given to the Directors at the last AGM held on 26 August 2025.

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 THE NOTICE OF ANNUAL GENERAL MEETING

1. The Twenty-Second Annual General Meeting of the Company will be held at Seminar Room 1, Kelab Golf Negara Subang, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor on Thursday, 27 August 2026 at 11.00 a.m.

2. The Director who is standing for re-election at the Twenty-Second Annual General Meeting of the Company pursuant to Clause 97 of the Company's Constitution is: -

   a) Dato' Nurulhidayah Binti Ahmad Zahid

   The details of the above Director seeking re-election is set out in the Profile of Directors as disclosed on page 14 of this Annual Report.

3. The Directors who are standing for re-election at the Twenty-Second Annual General Meeting of the Company pursuant to Clause 104 of the Company's Constitution are: -

   a) Mr. Low Henn Kai
   b) Dato' Masrul Affendy bin Masram
   c) Mary Susila A/P N.Perumal

   The details of the above Directors seeking re-election are set out in the Profile of Directors as disclosed on page 15 and 16 of this Annual Report.

4. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 28 February 2026 are disclosed in the Corporate Governance Overview Statement set out on page 23 of this Annual Report.

MQ

TECHNOLOGY BERHAD

PROXY FORM

MQ TECHNOLOGY BERHAD
[Registration No. 200301033383 (635804-H)]
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

I/We, ____ NRIC/Passport No. ______________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

Telephone number __________________________ Email address ______________________ being a Member/

Members of **MQ TECHNOLOGY BERHAD** hereby appoint ____________________________________
(FULL NAME IN BLOCK LETTERS)

NRIC/Passport No. __________________________of ______________________________________
(FULL ADDRESS)

Telephone number __________________________ Email address ______________________ or failing whom,

____ NRIC/Passport No. ______________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

Telephone number __________________________ Email address ______________________

or failing whom, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the TWENTY-SECOND ANNUAL GENERAL MEETING of the Company ("the Meeting") will be held at Seminar Room 1, Kelab Golf Negara Subang, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor on Thursday, 27 August 2026 at 11.00 a.m. and at any adjournment thereof.

I / We direct my / our proxy to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder:

No.	Resolutions	Ordinary	For	Against
1.	To approve the payment of Directors' fees and benefits of not exceeding RM400,000.00 from 28 August 2026 until the next Annual General Meeting of the Company to be held in 2027.	Resolution 1		
2.	To re-elect Dato' Nurulhidayah Binti Ahmad Zahid as Director of the Company.	Resolution 2		
3.	To re-elect Mr. Low Henn Kai as Director of the Company.	Resolution 3		
4.	To re-elect Dato' Masrul Affendy bin Masram as Director of the Company.	Resolution 4		
5.	To re-elect Mary Susila A/P N.Perumal as Director of the Company.	Resolution 5		
6.	To re-appoint Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 6		
7.	Authority for Directors to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016	Resolution 7		

Please indicate with an "X" in the appropriate space provided above on how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy may vote as he thinks fit.

The Proportions of *my/our holdings to be represented by *my/our proxy/proxies *is/are as follows:-

	No. of shares	Percentage	
First Proxy :			%
Second Proxy :			%
Total		100	%

Dated this……………..day of…………………………………..2026.

……………………………………………..
Signature/ common seal of shareholder

Notes:

1. A member of the Company entitled to attend and vote is entitled to appoint any person as his proxy to attend and vote in his stead. There is no restriction as to the qualification of the proxy.
2. A member entitled to attend and vote is entitled to appoint two (2) or more proxies to attend and vote in his stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
4. Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a Member of the Company is an exempt authorised nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. For a proxy to be valid, the instrument appointing a proxy shall be deposited at the Registered Office, Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time for holding the meeting and any adjournments thereof. In the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).
7. Only a depositor whose name appears on the Record of Depositors of the Company as at 21 August 2026 shall be entitled to attend this Meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

Please fold across the line and close

stamp

The Company Secretary
MQ TECHNOLOGY BERHAD
[Registration No. 200301033383 (635804-H)]

LEVEL 7, MERCU 3, NO. 3, JALAN BANGSAR,
KL ECO CITY,
59200 KUALA LUMPUR.

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MQ TECHNOLOGY BERHAD
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