

FINANCIAL STATEMENTS

05

Financial Statements

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DIRECTORS' REPORT

For the Financial Year Ended 31 March 2026

The Directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, property development and provision of management services whilst the principal activities of the subsidiaries are stated in Note 6 to the financial statements.

SUBSIDIARIES

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

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
- Owners of the Company	(4,576,813)	(1,769,180)
- Non-controlling interests	(157,825)	-
	(4,734,638)	(1,769,180)

RESERVES AND PROVISIONS

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

DIVIDENDS

The Directors do not recommend any dividend to be paid for the financial year ended 31 March 2026.

DIRECTORS OF THE COMPANY

The Directors who served during the financial year until the date of this report are:

Tan Sri Dato' Seri Dr. Ting Chew Peh

Ho Wen Yan

Chew Hoe Soon

Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud

Choo Seng Choon

Ho Wen Fan

Chew Po Sim

(Appointed on 10 March 2026)

(Resigned on 2 March 2026)

DIRECTORS' REPORT

For the Financial Year Ended 31 March 2026

DIRECTORS OF THE SUBSIDIARIES

The Directors of the subsidiaries who served during the financial year until the date of this report are:

Ho Wen Yan
Ho Wen Fan
Sa Chee Peng

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

DIRECTORS' INTERESTS IN SHARES

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

The Company	Number of ordinary shares			
	At 1.4.2025	Bought/ Transfer	Sold/ Transfer	At 31.3.2026
Direct interest				
Ho Wen Yan	2,255,550	-	-	2,255,550
Chew Hoe Soon	491,942	60,000	-	551,942
Deemed interest				
Tan Sri Dato' Seri Dr. Ting Chew Peh^	1,216,818	-	-	1,216,818
Ho Wen Yan*	150,978,178	-	-	150,978,178
Chew Hoe Soon^	1,012,399	19,000	-	1,031,399
Ho Wen Fan*	150,978,178	-	-	150,978,178

The Company	Number of warrants 2022/2027			
	At 1.4.2025	Bought/ Transfer	Sold/ Transfer	At 31.3.2026
Direct interest				
Ho Wen Yan	451,110	-	-	451,110
Chew Hoe Soon	98,388	-	-	98,388
Deemed interest				
Tan Sri Dato' Seri Dr. Ting Chew Peh^	233,319	-	-	233,319
Ho Wen Yan*	38,888,884	-	-	38,888,884
Chew Hoe Soon^	202,479	-	-	202,479
Ho Wen Fan*	38,888,884	-	-	38,888,884

DIRECTORS' REPORT

For the Financial Year Ended 31 March 2026

DIRECTORS' INTERESTS IN SHARES (CONT'D)

Ho Wen Yan and Ho Wen Fan by virtue of their interests in the shares of the Company are also deemed interested in the shares of all the Company's subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

* Deemed interested through shares held in another corporation, Heng Holdings Sdn. Berhad

^ Deemed interested through spouse and children.

Other than as disclosed above, none of the other Directors in office at the end of the financial year have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 24 to the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' remuneration for the Group and for the Company as set out in Note 24 to the financial statements are RM1,932,261 and RM1,911,261 respectively.

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

ISSUE OF SHARES AND DEBENTURES

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

Warrants 2022/2027

On 30 August 2022, the shareholders of the Company had resolved to approve the Rights Issue with Warrants on the basis of one (1) Rights Share for every four (4) existing shares held, together with up to 88,000,000 free Detachable Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed.

The warrants are constituted by a Deed Poll dated 19 September 2022 executed by the Company. Each warrant entitles the registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price of RM0.30 per share, subject to adjustments in accordance with the provision of the Deed Poll.

The salient features of the warrants are disclosed in Note 15(c) to the financial statements.

No warrants were exercised during the financial year. As at the end of reporting date, 88,000,000 warrants remained unexercised.

DIRECTORS' REPORT

For the Financial Year Ended 31 March 2026

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of sum insured and premium paid for Directors and officers of the Company are RM10,000,000 and RM7,813 respectively. No indemnity was given to or insurance effected for auditors of the Group during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

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

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

- i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- iv) not otherwise dealt with in this report or the financial statements, that 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:

- i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period 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 their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2026 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT

For the Financial Year Ended 31 March 2026

AUDITORS

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2026 as follow:

	Group RM	Company RM
TGS TW PLT	260,000	93,000

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 22 July 2026.

.....
Ho Wen Yan
Director

.....
Ho Wen Fan
Director

Kuala Lumpur,

Date: 22 July 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
ASSETS					
Property, plant and equipment	2	15,766,781	11,734,138	3,114,452	3,160,100
Right-of-use assets	3	684,646	340,295	262,497	309,552
Investment properties	4	1,395,917	1,439,706	1,586,136	1,632,193
Intangible assets	5	9,687,466	8,310,216	-	-
Investments in subsidiaries	6	-	-	335,059,826	331,407,757
Other investment	7	59,414,556	62,248,414	-	-
Inventories	8	606,428,140	585,760,793	2,922,948	2,898,027
Trade and other receivables	9	2,454,470	2,232,460	30,420	30,420
Cash and bank balances	10	4,423,226	1,931,856	373,432	373,432
Deferred tax assets	11	21,738,717	19,656,467	1,898,800	1,898,800
Total non-current assets		721,993,919	693,654,345	345,248,511	341,710,281
Inventories	8	129,125,697	79,855,299	251,338	251,338
Contract assets	12	11,635,951	9,510,646	-	-
Contract costs	12	1,639,430	4,551,766	-	-
Other current assets	13	188,304	173,932	51,322	157,212
Trade and other receivables	9	11,413,853	26,936,559	190,420,694	168,143,843
Tax recoverable		-	-	291,233	-
Cash and bank balances	10	10,302,703	14,530,262	948,246	1,111,047
Total current assets		164,305,938	135,558,464	191,962,833	169,663,440
Total assets		886,299,857	829,212,809	537,211,344	511,373,721

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
EQUITY					
Share capital	14	364,936,000	364,936,000	364,936,000	364,936,000
Reserves	15	19,764,888	5,275,746	2,904,000	2,904,000
Retained earnings		104,213,870	109,615,683	30,582,244	32,351,424
Equity attributable to owners of the Company		488,914,758	479,827,429	398,422,244	400,191,424
Perpetual sukuk	16	-	-	-	-
Non-controlling interests		21,661,879	21,819,704	-	-
Total equity		510,576,637	501,647,133	398,422,244	400,191,424
LIABILITIES					
Trade and other payables	17	19,246,679	24,661,844	-	-
Deferred tax liabilities	11	30,082,267	30,142,615	-	-
Loans and borrowings	18	183,814,038	140,372,198	34,884,679	22,160,643
Lease liabilities	19	256,954	27,583	3,015	7,614
Total non-current liabilities		233,399,938	195,204,240	34,887,694	22,168,257
Trade and other payables	17	62,969,043	71,749,061	63,084,649	51,924,510
Contract liabilities	12	41,689	6,084,011	-	-
Loans and borrowings	18	78,448,884	51,798,406	40,811,700	36,963,919
Lease liabilities	19	156,909	16,683	5,057	4,642
Current tax liabilities		706,757	2,713,275	-	120,969
Total current liabilities		142,323,282	132,361,436	103,901,406	89,014,040
Total liabilities		375,723,220	327,565,676	138,789,100	111,182,297
Total equity and liabilities		886,299,857	829,212,809	537,211,344	511,373,721

The notes on pages 101 to 162 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Revenue	20	64,015,854	104,560,841	5,478,600	9,161,400
Cost of sales		(40,576,537)	(66,567,119)	-	-
Gross profit		23,439,317	37,993,722	5,478,600	9,161,400
Other income	21	2,889,198	2,639,092	5,512,000	5,994,034
Administrative expenses		(20,731,705)	(21,297,582)	(7,579,549)	(8,376,692)
Selling and marketing expenses		(3,711,796)	(4,108,955)	(1,750)	(20,435)
Net losses on impairment of financial instruments		(766,031)	(352,631)	(16,990)	(458,334)
Profit from operations	22	1,118,983	14,873,646	3,392,311	6,299,973
Finance costs	23	(4,240,615)	(4,722,862)	(5,326,109)	(5,898,341)
(Loss)/Profit before tax		(3,121,632)	10,150,784	(1,933,798)	401,632
Tax expense	25	(1,613,006)	(3,823,615)	164,618	(371,510)
(Loss)/Profit for the financial year		(4,734,638)	6,327,169	(1,769,180)	30,122

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2026

		Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Net changes in fair value of equity investment designated at fair value through other comprehensive income ("FVTOCI")		13,664,142	4,630,048	-	-
Total comprehensive income/(loss)		8,929,504	10,957,217	(1,769,180)	30,122
(Loss)/Profit attributable to:					
Owners of the Company		(4,576,813)	6,572,307	(1,769,180)	30,122
Non-controlling interests		(157,825)	(245,138)	-	-
(Loss)/Profit for the financial year		(4,734,638)	6,327,169	(1,769,180)	30,122
Total comprehensive income/(loss) attributable to:					
Owners of the Company		9,087,329	11,202,355	(1,769,180)	30,122
Non-controlling interests		(157,825)	(245,138)	-	-
Total comprehensive income/(loss) for the financial year		8,929,504	10,957,217	(1,769,180)	30,122
Basic (loss)/earning per ordinary share (sen)					
26		(1.04)	1.49		
Diluted (loss)/earning per ordinary share (sen)					
26		(0.89)	1.29		

The notes on pages 101 to 162 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2026

	Attributable to owners of the Company						
	Share capital RM	Warrants reserves RM	Translation reserves RM	Fair value reserve RM	Retained earnings RM	Non-controlling interests RM	Total equity RM
Group							
At 1 April 2025	364,936,000	2,904,000	(5,345,000)	7,716,746	109,615,683	21,819,704	501,647,133
Total other comprehensive income for the financial year							
- Net changes in fair value of equity investment designated at FVTOCI	-	-	-	13,664,142	-	-	13,664,142
Transfer upon disposal of equity instruments designated at FVTOCI	-	-	5,345,000	(4,520,000)	(825,000)	-	-
Loss for the financial year	-	-	-	-	(4,576,813)	(157,825)	(4,734,638)
Total comprehensive income for the financial year	-	-	5,345,000	9,144,142	(5,401,813)	(157,825)	8,929,504
At 31 March 2026	364,936,000	2,904,000	-	16,860,888	104,213,870	21,661,879	510,576,637
	Note 14	Note 15	Note 15	Note 15			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2026

Attributable to owners of the Company									
	Share capital RM	Warrants reserves RM	Translation reserves RM	Fair value reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Perpetual sukuk RM	Total equity RM
Group									
At 1 April 2024	364,936,000	2,904,000	(5,345,000)	3,086,698	103,043,376	468,625,074	22,064,842	4,872,247	495,562,163
Total other comprehensive income for the financial year									
- Net changes in fair value of equity investment designated at FVTOCI	-	-	-	4,630,048	-	4,630,048	-	-	4,630,048
Profit for the financial year	-	-	-	-	6,572,307	6,572,307	(245,138)	-	6,327,169
Total comprehensive income for the financial year	-	-	-	4,630,048	6,572,307	11,202,355	(245,138)	-	10,957,217
Transaction with owners:									
- Issuance of perpetual sukuk (net of expense)	-	-	-	-	-	-	-	127,753	127,753
- Settlement of perpetual sukuk	-	-	-	-	-	-	-	(5,000,000)	(5,000,000)
	-	-	-	-	-	-	-	(4,872,247)	(4,872,247)
At 31 March 2025	364,936,000	2,904,000	(5,345,000)	7,716,746	109,615,683	479,827,429	21,819,704	-	501,647,133
	Note 14	Note 15	Note 15	Note 15	Note 15	Note 15	Note 15	Note 16	

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2026

	← Attributable to owners of the Company →				
	Share capital RM	Warrants reserve RM	Retained earnings RM	Perpetual sukuk RM	Total equity RM
Company					
At 1 April 2024	364,936,000	2,904,000	32,321,302	4,872,247	405,033,549
Profit and total comprehensive income for the financial year	-	-	30,122	-	30,122
Transaction with owners:					
- Issuance of perpetual sukuk (net of expense)	-	-	-	127,753	127,753
- Settlement of perpetual sukuk	-	-	-	(5,000,000)	(5,000,000)
	-	-	-	(4,872,247)	(4,872,247)
At 31 March 2025	364,936,000	2,904,000	32,351,424	-	400,191,424
At 1 April 2025	364,936,000	2,904,000	32,351,424	-	400,191,424
Loss and total comprehensive loss for the financial year	-	-	(1,769,180)	-	(1,769,180)
At 31 March 2026	364,936,000	2,904,000	30,582,244	-	398,422,244
	Note 14	Note 15		Note 16	

The notes on pages 101 to 162 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(3,121,632)	10,150,784	(1,933,798)	401,632
Adjustments for:					
Amortisation of intangible assets	5	671,943	671,943	-	-
Bad debts written off		26,212	2,934	15,589	-
Depreciation of:					
- investment properties	4	43,789	42,758	46,057	46,058
- property, plant and equipment	2	2,361,222	696,282	199,400	298,430
- right-of-use assets	3	112,436	211,550	47,697	47,658
Deposit forfeited	21	(20,300)	(11,900)	-	-
Deposit written off		4,332	676,800	-	674,300
Dividend income	20	-	-	(300,000)	(3,378,000)
Finance income	21	(133,890)	(157,595)	(5,394,450)	(5,564,667)
Finance costs	23	14,357,992	11,428,797	5,326,109	5,898,341
Loss on/(Reversal of) impairment loss:					
- amounts due from subsidiaries		-	-	(890,750)	356,583
- other receivables		907,740	228,577	907,740	101,751
- trade receivables		(141,709)	124,054	-	-
- intangible assets		-	1,394,405	-	-
Payables written-back		(281,021)	-	-	-
Property, plant and equipment written off		9,592	14,464	-	-
Reversal of write-down of inventories		(484,734)	-	-	-
Reversal of provision for damage claims		-	(306,536)	-	(306,536)
Operating profit/(loss) before changes in working capital		14,311,972	25,167,317	(1,976,406)	(1,424,450)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2026

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash flows from operating activities (cont'd)				
Operating profit/(loss) before changes in working capital	14,311,972	25,167,317	(1,976,406)	(1,424,450)
Changes in working capital:				
- Contract assets	(2,125,305)	44,205,671	-	-
- Contract liabilities	(6,042,322)	6,084,011	-	-
- Contract costs	2,912,336	2,055,749	-	-
- Inventories	(78,210,016)	(16,219,685)	(24,921)	(50,933)
- Trade and other receivables and other current assets	14,489,749	2,449,544	1,230,996	752,700
- Trade and other payables	(15,251,750)	(43,285,721)	38,540	(759,133)
Cash (used in)/generated from operations	(69,915,336)	20,456,886	(731,791)	(1,481,816)
Interest paid	(2,958,261)	(3,279,393)	(1,820,563)	(2,225,586)
Interest received	133,890	157,595	5,394,450	5,564,667
Net tax paid	(6,122,122)	(6,525,393)	(247,584)	(424,541)
Net cash (used in)/from operating activities	(78,861,829)	10,809,695	2,594,512	1,432,724

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Cash flows from investing activities					
Additions of:					
- property, plant and equipment	2	(4,444,065)	(6,004,356)	(153,752)	(10,358)
Acquisition of subsidiary companies, net of cash	6(b)	(3,651,069)	-	(3,652,069)	-
Net advance from/(repayment to) subsidiaries		-	-	(23,434,536)	12,133,116
Dividends received		-	-	300,000	3,378,000
Proceeds from disposal of other investments		16,498,000	-	-	-
Net cash from/(used in) investing activities		8,402,866	(6,004,356)	(26,940,357)	15,500,758
Cash flows from financing activities					
Change in pledged deposits		(2,491,370)	1,530,300	-	3,000,000
Interest paid		(915,804)	(1,272,942)	(2,665,658)	(2,787,419)
Drawdown of loans and borrowings		113,531,929	88,249,000	16,000,000	30,000,000
Proceeds from:					
- issuance of perpetual sukuk, net of expenses		-	127,753	-	127,753
Repayment of loans and borrowings		(70,667,323)	(79,583,869)	(8,599,898)	(30,723,692)
Amount carried down		39,457,432	9,050,242	4,734,444	(383,358)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Cash flows from financing activities (cont'd)					
Amount brought down		39,457,432	9,050,242	4,734,444	(383,358)
Settlement of perpetual sukuk		-	(5,000,000)	-	(5,000,000)
Payment of lease liabilities	(ii)	(87,190)	(302,691)	(4,826)	(135,488)
Net repayment to subsidiaries		-	-	10,284,711	(6,079,014)
Net cash from/(used in) financing activities		39,370,242	3,747,551	15,014,329	(11,597,860)
Net (decrease)/increase in cash and cash equivalents		(31,088,721)	8,552,890	(9,331,516)	5,335,622
Cash and cash equivalents at the beginning of financial year		(866,550)	(9,419,440)	(4,928,278)	(10,263,900)
Cash and cash equivalents at the end of financial year	(i)	(31,955,271)	(866,550)	(14,259,794)	(4,928,278)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2026

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Deposits		2,764,802	1,743,132	273,432	273,432
Cash in hand and at bank		11,961,127	14,718,986	1,048,246	1,211,047
Cash and bank balances	10	14,725,929	16,462,118	1,321,678	1,484,479
Less: Pledged deposits	10	(4,423,226)	(1,931,856)	(373,432)	(373,432)
Less: Bank overdrafts	18	(42,257,974)	(15,396,812)	(15,208,040)	(6,039,325)
		(31,955,271)	(866,550)	(14,259,794)	(4,928,278)

(ii) Cash outflows for leases as a lessee

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Included in net cash from operating activities				
Payment relating to short-term leases	(261,354)	(251,076)	-	-
Payment relating to leases of low-value assets	(27,169)	(20,461)	-	-
Interest paid in relation to lease liabilities	(17,254)	(19,053)	(340)	(14,155)
Included in net cash from financing activities				
Payment of lease liabilities	(87,190)	(302,691)	(4,826)	(135,488)
Total cash outflows for leases	(392,967)	(593,281)	(5,166)	(149,643)

The notes on pages 101 to 162 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Hua Yang Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business/Registered office

C-21, Jalan Medan Selayang 1
Medan Selayang
68100 Batu Caves
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2026 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 March 2026 do not include other entities.

The Company is principally engaged in investment holding, property development and provision of management services whilst the principal activities of the subsidiaries are stated in Note 6. There have been no significant changes in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 22 July 2026.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information in the respective notes.

The Group and the Company have consistently applied the accounting policy throughout all periods presented in the financial statements unless otherwise stated.

(i) Adoption of amended standards

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

Amendments to MFRS 121

Lack of Exchangeability

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

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

(ii) Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements - Volume 11	Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new MFRSs and amendments to MFRSs when they become effective.

The initial application of the above-mentioned to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

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

(c) Use of estimates and judgements

The preparation of the Group's and of the Company's financial statements require management 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 could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements (cont'd)

Estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

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

- Note 3 - determining the lease term of contracts with renewal and termination options
- Note 5 - impairment of intangible assets
- Note 6 - impairment of investments in subsidiaries
- Note 4 and Note 8 - classification between investment properties and inventories
- Note 8 - valuation of inventories
- Note 9 - provision of expected credit loss of financial assets at amortised cost
- Note 11 - valuation of deferred tax assets
- Note 20 - sales of development properties
- Note 23 - capitalisation of borrowing costs

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Land (right-of-use assets) RM	Buildings RM	Furniture, fittings, office equipment and renovation RM	Capital work-in-progress RM	Motor vehicles RM	Total RM
Cost							
At 1 April 2024	514,310	1,572,744	12,173,378	9,474,043	-	8,250	23,742,725
Additions	-	-	310,396	363,193	5,061,245	269,522	6,004,356
Transfer from inventory	-	-	888,924	-	-	-	888,924
Write off	-	-	(1,007,500)	(237,598)	-	-	(1,245,098)
At 31 March 2025/1 April 2025	514,310	1,572,744	12,365,198	9,599,638	5,061,245	277,772	29,390,907
Additions	-	-	948,360	1,324,885	1,849,873	320,947	4,444,065
Transfer from inventory	-	-	1,959,392	-	-	-	1,959,392
Reclassification	-	-	5,048,378	1,862,740	(6,911,118)	-	-
Write off	-	-	(6,226,937)	(412,091)	-	-	(6,639,028)
At 31 March 2026	514,310	1,572,744	14,094,391	12,375,172	-	598,719	29,155,336
Depreciation							
At 1 April 2024	-	271,813	9,604,003	8,308,057	-	7,248	18,191,121
Depreciation for the financial year	-	16,497	280,039	395,254	-	4,492	696,282
Write off	-	-	(1,007,469)	(223,165)	-	-	(1,230,634)
At 31 March 2025/1 April 2025	-	288,310	8,876,573	8,480,146	-	11,740	17,656,769
Depreciation for the financial year	-	13,348	1,500,588	729,192	-	118,094	2,361,222
Write off	-	-	(6,226,909)	(402,527)	-	-	(6,629,436)
At 31 March 2026	-	301,658	4,150,252	8,806,811	-	129,834	13,388,555
Carrying amount							
At 31 March 2025	514,310	1,284,434	3,488,625	1,119,492	5,061,245	266,032	11,734,138
At 31 March 2026	514,310	1,271,086	9,944,139	3,568,361	-	468,885	15,766,781

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land (right-of- use assets) RM	Buildings RM	Furniture, fittings, office equipment and renovation RM	Total RM
Company				
Cost				
At 1 April 2024	1,254,000	2,490,204	6,407,354	10,151,558
Additions	-	-	10,358	10,358
At 31 March 2025/1 April 2025	1,254,000	2,490,204	6,417,712	10,161,916
Additions	-	-	153,752	153,752
At 31 March 2026	1,254,000	2,490,204	6,571,464	10,315,668
Depreciation				
At 1 April 2024	221,732	811,488	5,670,166	6,703,386
Depreciation for the financial year	13,063	49,804	235,563	298,430
At 31 March 2025/1 April 2025	234,795	861,292	5,905,729	7,001,816
Depreciation for the financial year	13,062	49,804	136,534	199,400
At 31 March 2026	247,857	911,096	6,042,263	7,201,216
Carrying amount				
At 31 March 2025	1,019,205	1,628,912	511,983	3,160,100
At 31 March 2026	1,006,143	1,579,108	529,201	3,114,452

(a) Assets pledged as securities to licensed banks

Land and buildings of the Group and of the Company amounting to RM6,274,751 (2025: RM3,962,359) and RM2,585,251 (2025: RM2,648,117) respectively have been charged as securities for bank borrowings granted as disclosed in Note 18 to the financial statements.

(b) Land (right-of-use assets)

The Group and the Company leased several plots of land from the government that runs for 99 years. The remaining lease term of leasehold land is 75 years (2025: 76 years). Lease payments are paid at inception of the leases.

(c) Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, except for freehold land and capital work-in-progress are stated at cost less impairment losses and not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Material accounting policy information (cont'd)

Depreciation of property, plant and equipment is recognised in the profit or loss on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Long-term leasehold land	96 years
Buildings	5 - 50 years
Furniture, fittings, office equipment and renovation	10 years
Motor vehicles	5 years

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

3. RIGHT-OF-USE ASSETS

	Note	Buildings RM	Office equipment RM	Total RM
Group				
Cost				
At 1 April 2024		1,572,864	510,313	2,083,177
Additions		44,263	-	44,263
Derecognition		(1,572,864)	(7,216)	(1,580,080)
At 31 March 2025/1 April 2025		44,263	503,097	547,360
Additions		-	454,705	454,705
Remeasurement		-	2,082	2,082
Derecognition		(44,263)	(12,622)	(56,885)
At 31 March 2026		-	947,262	947,262
Depreciation				
At 1 April 2024		1,457,343	118,252	1,575,595
Depreciation for the financial year	22	154,839	56,711	211,550
Derecognition		(1,572,864)	(7,216)	(1,580,080)
At 31 March 2025/1 April 2025		39,318	167,747	207,065
Depreciation for the financial year	22	4,945	107,491	112,436
Derecognition		(44,263)	(12,622)	(56,885)
At 31 March 2026		-	262,616	262,616
Carrying amount				
At 31 March 2025		4,945	335,350	340,295
At 31 March 2026		-	684,646	684,646

NOTES TO THE FINANCIAL STATEMENTS

3. RIGHT-OF-USE ASSETS (CONT'D)

	Note	Office equipment RM
Company		
Cost		
At 1 April 2024/31 March 2025		453,620
Remeasurement		642
At 31 March 2026		454,262
Depreciation		
At 1 April 2024		96,410
Depreciation for the financial year	22	47,658
At 31 March 2025/1 April 2025		144,068
Depreciation for the financial year	22	47,697
At 31 March 2026		191,765
Carrying amount		
At 31 March 2025		309,552
At 31 March 2026		262,497

- (a) The Group and the Company leased a number of premises and office equipment that run between one to five years, with an option to renew the lease after that expiry date.
- (b) The Group and the Company also have short-term leases with lease terms of 12 months or less and leases of assets with low value at less than RM20,000 each when purchase new. Leases included extension option. These options are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group and the Company have applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

- (c) Material accounting policy information

ROU assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of ROU assets are recognised in the profit or loss on straight-line method from the commencement date to the earlier of the end of the useful life of the ROU assets or 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 follow:

Buildings	Over the remaining lease
Office equipment	Over the remaining lease

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cost				
At beginning/end of financial year	2,262,959	2,262,959	2,538,367	2,538,367
Depreciation				
At beginning of financial year	823,253	780,495	906,174	860,116
Depreciation for the financial year	43,789	42,758	46,057	46,058
At end of financial year	867,042	823,253	952,231	906,174
Carrying amount				
At end of financial year	1,395,917	1,439,706	1,586,136	1,632,193
Included in the above are:				
Freehold land	51,189	51,189	235,495	235,495
Buildings	1,344,728	1,388,517	1,350,641	1,396,698
	1,395,917	1,439,706	1,586,136	1,632,193
Fair value				
At end of financial year	3,385,273	3,556,543	4,447,730	5,222,325

(a) Investment properties comprise a number of commercial properties that are leased to third parties and car park lots. Each of the leases contains an initial non-cancellable period of 3 years. Upon expiry of the initial lease term, the leases are renewable for a period of 1 year. No contingent rents are charged.

(b) Assets held in trust

Investment properties of the Company amounting to RM291,595 (2025: RM294,895) are held in trust by a subsidiary.

(c) Assets pledged as securities to licensed banks

Investment properties of the Group and of the Company amounting to RM1,294,541 (2025: RM1,337,298) have been charged as securities for bank borrowings granted as disclosed in Note 18 to the financial statements.

(d) Fair value measurement

The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONT'D)

(d) Fair value measurement (cont'd)

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable input used.

Description of valuation technique	Significant unobservable input	Inter-relationship between significant unobservable input and fair value measurement
The Group estimates the fair value of the investment property by the Directors based on internal appraisal of market value of comparable properties.	Market price of property per square feet ("sq ft") in vicinity compared.	The estimated fair value would increase/(decrease) if market prices of properties were higher/(lower).

The fair value of investment property was estimated by the Directors using above valuation technique. The fair value is within Level 3 of the fair value hierarchy.

There were no transfers between levels during current and previous financial years.

Highest and best use

The Group's investment property represents 4 ½ - storey shop office and car park. The highest and best use of this property is for rental income generation as it is located in the vicinity of the commercial area.

(e) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Rental income	26,350	26,100	117,550	117,300
Other income	528,273	435,695	-	-
	554,623	461,795	117,550	117,300
Direct operating expenses:				
- income generating investment properties	15,780	90,356	18,938	94,272

(f) Material accounting policy information

Investment properties are properties held either to earn rental income or for capital appreciation, or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONT'D)

(f) Material accounting policy information (cont'd)

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. Freehold land is not depreciated. The principal annual depreciation rate is:

Buildings 2%

5. INTANGIBLE ASSETS

	Goodwill RM	Concession assets RM	Total RM
Group			
Cost			
At 1 April 2024/31 March 2025	16,776,492	15,912,813	32,689,305
Addition	2,049,193	-	2,049,193
At 31 March 2026	18,825,685	15,912,813	34,738,498
Amortisation			
At 1 April 2024	-	(8,693,453)	(8,693,453)
Amortisation for the financial year	-	(671,943)	(671,943)
At 31 March 2025/1 April 2025	-	(9,365,396)	(9,365,396)
Amortisation for the financial year	-	(671,943)	(671,943)
At 31 March 2026	-	(10,037,339)	(10,037,339)
Impairment loss			
At 1 April 2024	(13,108,547)	(510,741)	(13,619,288)
Impairment losses	(716,917)	(677,488)	(1,394,405)
At 31 March 2025/1 April 2025			
31 March 2026	(13,825,464)	(1,188,229)	(15,013,693)
Carrying amount			
At 31 March 2025	2,951,028	5,359,188	8,310,216
At 31 March 2026	5,000,221	4,687,245	9,687,466
	Note 5.1	Note 5.2	

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS (CONT'D)

5.1 Impairment testing for cash-generating units containing goodwill

Allocation of goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level of cash-generating units within the Group at which the goodwill is monitored for internal management purposes.

The aggregated carrying amounts of goodwill allocated to each cash-generating unit are as follows:

	Note	2026 RM	2025 RM
Group			
Property development			
- Penang	5.1.1	2,320,967	2,320,967
- Perak	5.1.1	2,049,193	-
Operation of concession assets	5.1.2	630,061	630,061
		5,000,221	2,951,028

5.1.1 Property development

The recoverable amounts of the property development cash-generating units in Penang and Perak was estimated based on its value in use, determined by discounting future cash flows to be generated from the development properties in the cash-generating units. The same method has been used in the previous financial year in respect of property development cash-generating units in Penang.

No impairment loss was recognised during the current financial year in respect of the property development cash-generating units located in Penang and Perak.

Value in use was determined by discounting the future cash flows expected to be generated from the development properties based on the following key assumptions:

- Cash flows were projected based on the gross development profits expected to be derived from the approved development plan over the development period for the next 1 to 5 years (2025: 1 to 4 years).
- The gross development profit margins were expected to be ranging from 24% to 35% (2025: 25% to 28%).
- A pre-tax discount rate of 10% (2025: 11%) was applied in determining the recoverable amount of the units.

The values assigned to the key assumptions represent management's assessment of future trends in the property development industry and are determined based on both external sources and internal sources (historical data).

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS (CONT'D)

5.1 Impairment testing for cash-generating units containing goodwill (cont'd)

5.1.1 Property development (cont'd)

The sensitivity analysis is presented as follows:

- An increase of 1% (2025: 1%) in the discount rate would not increase impairment loss (2024: No impairment loss).
- A 5% (2025: 5%) decrease in future development profit would not increase the impairment loss (2025: No impairment loss).

5.1.2 Operation of concession assets

The recoverable amount of the operation of concession assets cash-generating unit was estimated based on their value in use, determined by discounting future cash flows to be generated from the operation of concession assets.

In the previous financial year, the carrying amount of concession assets amounting to RM1,346,978 was determined to be higher than its recoverable amount and an impairment loss of RM716,917 was recognised. The impairment loss is recorded within administrative expense in the Statements of Profit or Loss and Other Comprehensive Income.

No impairment loss was recognised in respect of concession assets in current financial year.

Value in use was determined by discounting the future cash flows expected to be generated from the operation of concession assets cash-generating unit over the remaining concession period of 1 to 14 years (2025: 2 to 15 years) based on the following key assumptions:

- Cash flows were projected based on past rental received and actual operating results.
- Rental is expected to be derived at 95% tenant take-up rate (2025: 95% to 100% tenant take-up rate). Rental is also anticipated to grow by 3% to 10% for every 2 to 5 years (2025: 3% to 10% for every 2 to 5 years).
- A pre-tax discount rate of 10% (2025: 11%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the industry weight average cost of capital, adjusted for the risk premium associated to the assets.

The values assigned to the key assumptions represent management's assessment of future trends in the operation of concession assets and are determined based on both external sources and internal sources (historical data).

The sensitivity analysis is presented as follows.

- An increase of 1% (2025: 1%) in the discount rate would increase impairment loss by RMNil (2025: RM237,803).
- A 5% (2025: 5%) decrease in future annual rental income due to decrease in tenant take-up rate or annual rental growth would increase impairment loss by RMNil (2025: RM635,438).

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS (CONT'D)

5.2 Concession assets

Concession assets relate to rights to use land owned by the local authorities granted to the Group in agreements to build, operate and transfer ("BOT") commercial properties on the said land between the Group and the local authorities. Under these agreements, the Group has the right to collect rental income from the operation of these commercial properties over the concession period of 20 to 30 years. Upon expiry of the agreement, the commercial properties will be transferred to the local authorities, unless extensions are granted.

In the event that the local authorities intend to re-develop, privatise or sell the commercial properties upon expiry of the concession period, the Group has the first right of refusal to participate.

5.2.1 Impairment loss on concession assets

The recoverable amount of the concession assets was estimated based on value in use method then. The recoverable amount of the concession assets and the impairment loss allocated are as follow:

	2026 RM	2025 RM
Group		
Recoverable amount of concession assets	4,687,245	5,359,188

In the previous financial year, the carrying amount of concession assets amounting to RM6,036,676 was determined to be higher than its recoverable amount and an impairment loss of RM677,488 was recognised. The impairment loss is recorded within administrative expense in the Statements of Profit or Loss and Other Comprehensive Income.

Value in use was determined using the same basis and key assumptions as disclosed in Note 5.1.2 over the remaining concession period of the concession assets of 1 to 14 years (2025: 2 to 15 years).

The values assigned to the key assumptions represent management's assessment of future trends in the operation of concession assets and are determined based on both external sources and internal sources (historical data).

Following the impairment in these concession assets, the carrying amount is similar to its recoverable amount. Therefore, any adverse change in a key assumption may result in a further impairment loss.

5.3 Material accounting policy information

Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired.

Other intangible assets which have finite useful life, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES

	2026 RM	2025 RM
Company		
Cost - Unquoted shares		
At beginning of financial year	517,731,846	517,731,846
Additions	3,652,069	-
At end of financial year	521,383,915	517,731,846
Impairment loss		
At beginning of financial year/At end of financial year	186,324,089	186,324,089
Carrying amount		
At end of financial year	335,059,826	331,407,757

Impairment loss

The Company recognised full impairment loss in respect of certain investments in subsidiaries as these subsidiaries are continuously loss making and have reported deficits in shareholders' fund and the Company has determined the recoverable amount to be RMNil.

Details of the subsidiaries

Name of subsidiary	Place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2026 %	2025 %
Yoon Lian Realty Sendirian Berhad	Malaysia	Property development	100	100
Daya Niaga Sdn. Bhd.	Malaysia	Trading of building materials	100	100
Grandeur Park Sdn. Bhd.	Malaysia	Property development and provision of management services	100	100
Prisma Pelangi Sdn. Bhd.	Malaysia	Property development and investment holding activities	100	100
Agro-Mod Industries Sdn. Bhd.	Malaysia	Property development and provision of management services	100	100
Tinggian Development Sdn. Bhd.	Malaysia	Property development and provision of management services	100	100
Pembinaan Hua Yang Sdn. Bhd.	Malaysia	Building construction relating to real estate	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries (cont'd)

Name of subsidiary	Place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2026 %	2025 %
Johanjana Corporation Sdn. Bhd.	Malaysia	Operation of commercial properties under the "build, operate and transfer" agreements with local authorities	100	100
Bison Holdings Sdn. Bhd.	Malaysia	Property development	100	100
Prop Park Sdn. Bhd.	Malaysia	Property development	100	100
Sunny Mode Sdn. Bhd.	Malaysia	Property development and provision of management services	100	100
G Land Development Sdn. Bhd.	Malaysia	Property development	100	100
Grand View Realty Sdn. Bhd.	Malaysia	Property development	100	100
Huayang Ventures Sdn. Bhd.	Malaysia	Operating of restaurant, laundry mart and vending machine and property development	100	100
Kajang Heights Development Sdn. Bhd.	Malaysia	Property development	70	70
Huayang Services Sdn. Bhd. (Formerly known as Celestial Solar Farm Sdn. Bhd.)	Malaysia	Investment holding and provision of management services	100	100
Ara Saujana Development Sdn. Bhd.	Malaysia	Property development	100	-
Sulaiman Properties Sdn. Bhd.	Malaysia	Property development	100	-

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Material partly-owned subsidiary company

The Group's subsidiary that has material non-controlling interests ("NCI") is as follows:

	Kajang Heights Development Sdn. Bhd.	
	2026 RM	2025 RM
Group		
NCI percentage of ownership interest and voting interest	30%	30%
Carrying amount of NCI	21,661,879	21,819,704
Loss allocated to NCI	(157,825)	(245,138)
Summarised financial information before intra-group elimination		
As at 31 March		
Non-current assets	87,350,813	84,725,330
Current assets	30,878,115	32,353,819
Non-current liabilities	(38,158,303)	(42,624,605)
Current liabilities	(7,864,365)	(1,722,201)
Net assets	72,206,260	72,732,343
Year end 31 March		
Loss from continuing operations	(526,083)	(817,126)
Cash flows used in operating activities	(4,007,783)	(2,084,085)
Cash flows from investing activities	1,368,671	3,169,921
Cash flows used in financing activities	(105,460)	(2,073,585)
Net decrease in cash and cash equivalents	(2,744,572)	(987,749)

(b) Acquisition of subsidiaries

Ara Saujana Development Sdn. Bhd.

On 28 May 2025, the Company had incorporated a 100% owned subsidiary, Ara Saujana Development Sdn. Bhd., a company incorporated in Malaysia and principally engaged in property development, for a total consideration of RM1,000.

Sulaiman Properties Sdn. Bhd. ("SPSB")

On 25 August 2025, the Company acquired 100% equity interest in Sulaiman Properties Sdn. Bhd., a company incorporated in Malaysia and principally engaged in property development, for a total consideration of RM3,651,069.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

Fair value of identifiable assets acquired and liabilities assumed

	SPSB
	RM
Inventories	1,459,764
Other payables	(1,357,888)
Carrying book value of net assets	101,876
Fair value adjustment to inventories	1,860,000
Deferred tax liability	(360,000)
Total net identifiable assets and liabilities	1,601,876

Net cash outflow arising from acquisition of subsidiary company

	SPSB
	RM
Purchase consideration settled in cash	3,651,069

Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:

	SPSB
	RM
Fair value of consideration transferred	3,651,069
Less: Fair value of identifiable assets acquired and liabilities assumed	(1,601,876)
Goodwill	2,049,193

As of the date this report, management has yet to finalise the Purchase Price Allocation ("PPA") for the business combination, as required by MFRS 3 *Business Combination*. Accordingly, the identifiable assets acquired and liabilities assumed have been recognised on a provisional basis.

Based on preliminary assessment, the fair value adjustment relating to inventories has been estimated at RM1,860,000. Management has recognised the fair value adjustment in the current financial year on a provisional basis, pending the completion of the Purchase Price Allocation. The Group has a measurement period of up to 12 months from the acquisition date to complete the PPA, in accordance with MFRS 3 *Business Combination*. Upon finalisation of the PPA, the Group will recognise any adjustments to the provisional amounts, with a corresponding impact on goodwill. The financial statements therefore reflect provisional values, and adjustments may be required once the PPA is completed.

Acquisition-related costs

The Group incurred acquisition-related costs of RM32,556 related to external legal fees and stamp duty. The expenses have been included in administrative expenses in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Material accounting policy information

Investment in subsidiaries are measured in the Company's statements of financial position at cost less accumulated impairment losses.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of new subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date.

7. OTHER INVESTMENT

	2026 RM	2025 RM
Group		
Non-current		
At fair value through other comprehensive income		
Quoted shares in Malaysia		
At beginning of financial year	62,248,414	57,618,366
Changes in fair value through other comprehensive income	13,664,142	4,630,048
Disposal	(16,498,000)	-
At end of financial year	59,414,556	62,248,414

The Group designated the investments in equity security as fair value through other comprehensive income because the investment in equity securities represent investment that the Group intends to hold for long-term strategic purposes.

The fair value of the other investment at end of reporting period is determined based on level 1 fair value using the market value of the quoted shares.

The investment in equity securities has been pledged as security for bank facilities granted to the Group. Under the terms and conditions of the loan, the Group is prohibited from disposing this investment without furnishing a replacement security of similar value. It has been subsequently discharged in the first quarter of the subsequent financial year.

Material accounting policy information

Investment in equity investment are not held for trading.

At initial recognition, the Group has irrevocably elect to present subsequent changes in the fair value of the investments in other comprehensive income. On derecognition, gains or losses accumulated in other comprehensive income are not reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

8. INVENTORIES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Non-current				
Land held for future development	606,428,140	585,760,793	2,922,948	2,898,027
Current				
Developed properties	42,586,811	46,604,507	251,338	251,338
Development properties	86,538,646	33,250,574	-	-
Finished goods	240	218	-	-
	129,125,697	79,855,299	251,338	251,338
	735,553,837	665,616,092	3,174,286	3,149,365
Inventories pledged as securities for bank borrowings (Note 18)				
- Land held for future development	182,970,743	319,470,490	-	-
- Developed properties	20,669,448	21,473,819	251,338	251,338
- Development properties	77,437,265	30,868,643	-	-
	281,077,456	371,812,952	251,338	251,338
Recognised in profit or loss				
- inventories recognised as cost of sales	2,563,899	179	-	-
- reversal of write down of inventories	(484,734)	-	-	-

Material accounting policy information

(a) Land held for future development

Land held for property development is stated at lower of cost and net realisable value. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

(b) Property under development and completed property

Property development costs are stated at the lower of costs and net realisable value. The portion of property development costs where significant development work has been undertaken and which expected to be completed within the normal operating cycle is considered as a current asset.

The cost of land and related development costs common to whole projects and direct building costs less cumulative amounts recognised as expenses in the profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss when the control of the asset is transferred to the customer.

NOTES TO THE FINANCIAL STATEMENTS

8. INVENTORIES (CONT'D)

Material accounting policy information (cont'd)

(b) Property under development and completed property (cont'd)

Property development cost of unsold units is transferred to completed properties held for sale once the development is completed.

Completed property is stated at the lower of cost and net realisable value. The cost of completed property include cost associated with the acquisition of land, direct costs and appropriate proportions of common costs. Cost is determined on a specific identification basis.

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

(c) Other inventories

Other inventories are measured at the lower of cost and net realisable value. The cost of finished goods is determined based on weighted average method.

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Non-current					
Non-trade					
Refundable deposits		2,454,470	2,232,460	30,420	30,420
		2,454,470	2,232,460	30,420	30,420
Current					
Trade					
Trade receivables		7,757,862	18,856,129	-	-
Allowance for impairment loss		(623,304)	(765,013)	-	-
		7,134,558	18,091,116	-	-
Non-trade					
Amounts due from subsidiaries	a	-	-	195,053,598	171,619,062
Goods and Services Tax receivables	b	28,221	28,221	-	-
Other receivables		4,202,040	3,728,956	241,408	370,903
Deposits paid	c	1,202,639	5,334,131	1,113,870	2,125,070
		5,432,900	9,091,308	196,408,876	174,115,035
Allowance for impairment loss		(1,153,605)	(245,865)	(5,988,182)	(5,971,192)
		4,279,295	8,845,443	190,420,694	168,143,843
		11,413,853	26,936,559	190,420,694	168,143,843
		13,868,323	29,169,019	190,451,114	168,174,263

NOTES TO THE FINANCIAL STATEMENTS

9. TRADE AND OTHER RECEIVABLES (CONT'D)

Note a

The amounts due from subsidiaries which amounting to RM189,907,243 (2025: RM165,749,621) are unsecured, subject to interest rate at 2.83% (2025: 3.03%) per annum and repayable on demand.

Note b

Goods and Services Tax ("GST") receivables refer to the returns due from the Royal Malaysian Custom Department in relation to input tax paid by the Group.

Note c

In the previous financial year, included in deposits paid of the Group are an amount of RM1,570,000 being deposits paid for acquisition of land.

10. CASH AND BANK BALANCES

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Non-current					
Deposits placed with licensed banks		2,764,802	1,743,132	273,432	273,432
Cash at bank	a	1,658,424	188,724	100,000	100,000
		4,423,226	1,931,856	373,432	373,432
Current					
Cash in hand and at bank		1,563,412	4,301,236	948,246	1,111,047
Housing Development Accounts	b	8,739,291	10,229,026	-	-
		10,302,703	14,530,262	948,246	1,111,047
		14,725,929	16,462,118	1,321,678	1,484,479
Cash and bank balances pledged to licensed banks as securities for bank borrowings granted	18	4,423,226	1,931,856	373,432	373,432

Note a

The non-current cash at bank are cash held under debt service reserve accounts that are pledged to the bank.

Note b

The Housing Development Accounts ("HDA") are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use for other operations.

NOTES TO THE FINANCIAL STATEMENTS

11. DEFERRED TAX ASSETS/(LIABILITIES)

The recognised deferred tax assets and (liabilities) before off-setting are as follows:

	Assets		Liabilities		Net	
	2026 RM	2025 RM	2026 RM	2025 RM	2026 RM	2025 RM
Group						
Inventories	2,326,891	3,171,670	(29,851,935)	(29,951,139)	(27,525,044)	(26,779,469)
Property, plant and equipment	-	-	(1,150,240)	(1,266,013)	(1,150,240)	(1,266,013)
Unutilised tax losses	12,494,661	10,058,690	-	-	12,494,661	10,058,690
Unabsorbed capital allowance	1,627,154	1,956,125	-	-	1,627,154	1,956,125
Others	6,427,187	6,220,638	(217,268)	(676,119)	6,209,919	5,544,519
Tax assets/(liabilities)	22,875,893	21,407,123	(31,219,443)	(31,893,271)	(8,343,550)	(10,486,148)
Set-off of tax	(1,137,176)	(1,750,656)	1,137,176	1,750,656	-	-
Net deferred tax assets/(liabilities)	21,738,717	19,656,467	(30,082,267)	(30,142,615)	(8,343,550)	(10,486,148)
Company						
Property, plant and equipment	-	-	(52,710)	(59,473)	(52,710)	(59,473)
Unabsorbed capital allowance	514,347	525,187	-	-	514,347	525,187
Others	1,437,163	1,433,086	-	-	1,437,163	1,433,086
Tax assets/(liabilities)	1,951,510	1,958,273	(52,710)	(59,473)	1,898,800	1,898,800
Set-off of tax	(52,710)	(59,473)	52,710	59,473	-	-
Net deferred tax assets	1,898,800	1,898,800	-	-	1,898,800	1,898,800

Unutilised tax losses of RM52,061,088 (2025: RM41,911,208), arising from group entities that were loss making, were recognised as deferred tax assets as management considered it probable that future taxable profits will be available against which they can be utilised when these group entities commence property development activity.

NOTES TO THE FINANCIAL STATEMENTS

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Movement in temporary differences during the financial year

	At 1.4.2024 RM	Recognised in profit or loss (Note 25) RM	At 31.3.2025/ 1.4.2025 RM	Acquisitions through business combination RM	Recognised in profit or loss (Note 25) RM	At 31.3.2026 RM
Group						
Inventories	(27,255,725)	476,256	(26,779,469)	(360,000)	(385,575)	(27,525,044)
Property, plant and equipment	(1,535,720)	269,707	(1,266,013)	-	115,773	(1,150,240)
Unutilised tax losses	11,376,246	(1,317,556)	10,058,690	-	2,435,971	12,494,661
Unabsorbed capital allowance	2,473,736	(517,611)	1,956,125	-	(328,971)	1,627,154
Others	2,107,414	3,437,105	5,544,519	-	665,400	6,209,919
Net deferred tax assets/(liabilities)	(12,834,049)	2,347,901	(10,486,148)	(360,000)	2,502,598	(8,343,550)
Company						
Property, plant and equipment	(69,211)	9,738	(59,473)	-	6,763	(52,710)
Unutilised tax losses	1,713,259	(1,713,259)	-	-	-	-
Unabsorbed capital allowance	698,619	(173,432)	525,187	-	(10,840)	514,347
Others	-	1,433,086	1,433,086	-	4,077	1,437,163
Net deferred tax assets/(liabilities)	2,342,667	(443,867)	1,898,800	-	-	1,898,800

12. CONTRACT WITH CUSTOMERS

12.1 Contract assets

	2026 RM	2025 RM
Group		
Contract assets	11,635,951	9,510,646
Contract liabilities	(41,689)	(6,084,011)
	11,594,262	3,426,635

The contract assets primarily relate to the Group's rights to consideration for work completed on contracts with property buyers but not yet billed at the reporting date. The amount will be billed on achievement of billing milestone as per the contract and will be transferred to trade receivables when the rights become unconditional.

NOTES TO THE FINANCIAL STATEMENTS

12. CONTRACT WITH CUSTOMERS (CONT'D)

12.1 Contract assets (cont'd)

The contract liabilities primarily relate to the advance consideration received from customer for construction contract, which revenue is recognised over time during the property development activities.

12.2 Contract costs

	2026 RM	2025 RM
Group		
Cost to obtain a contract	491,918	1,210,648
Cost to fulfil a contract	1,147,512	3,341,118
	1,639,430	4,551,766

Cost to obtain a contract

Cost to obtain a contract primarily comprises incremental commission fees paid to intermediaries as a result of obtaining contracts and they are recoverable.

Capitalised commission fees are amortised when the related revenues are recognised. During the financial year, the amount amortised was RM1,260,331 (2025: RM2,304,294).

Cost to fulfil a contract

Cost to fulfil a contract primarily comprises carrying amount of inventories in relation to contracts with customers. During the financial year, the amount amortised was RM34,683,432 (2025: RM66,402,005).

13. OTHER CURRENT ASSETS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Prepaid operating expenses	188,304	173,932	51,322	157,212

NOTES TO THE FINANCIAL STATEMENTS

14. SHARE CAPITAL

	Number of shares 2026 Units	Amount 2026 RM	Number of shares 2025 Units	Amount 2025 RM
Group and Company				
Issued and fully paid shares with no par value classified as equity instruments				
Ordinary shares				
At 1 April/At 31 March	440,000,000	364,936,000	440,000,000	364,936,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

15. RESERVES

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Fair value reserve	a	16,860,888	7,716,746	-	-
Translation reserves	b	-	(5,345,000)	-	-
Warrants reserves	c	2,904,000	2,904,000	2,904,000	2,904,000
		19,764,888	5,275,746	2,904,000	2,904,000

(a) Fair value reserve

Fair value reserve represents the cumulative net change in the fair value of the investment in securities measured at FVTOCI until they are derecognised or impaired.

(b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations of the Group's associate.

NOTES TO THE FINANCIAL STATEMENTS

15. RESERVES (CONT'D)

(c) Warrants reserves

Warrants reserves represents reserve allocated to free detachable warrants issued with right issue.

Warrants 2022/2027

In the financial year ended 31 March 2023, the Company issued renounceable rights issue of up to 88,000,000 new ordinary shares of RM0.18 each together with up to 88,000,000 free detachable warrants on the basis of one (1) Rights Share together with one (1) Warrant for every four (4) existing ordinary shares held.

The Company executed a Deed Poll constituting the Warrants and the exercise price of Warrants have been fixed at RM0.30 each. The Warrants may be exercised at any time within 5 years commencing on including the date of issuance of the Warrants and expiring on 25 October 2027. Any Warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the Warrants shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the Warrants.

The Rights Issue with Warrants was completed with the listing and quotation of 88,000,000 Rights Shares and 88,000,000 Warrants on the Main Market of Bursa Securities on 31 October 2022.

As at the financial year end, the total number of Warrants that remain unexercised at 88,000,000 and the warrant reserve value were RM2,904,000.

16. PERPETUAL SUKUK

On 20 August 2021, the Company made its first issuance of Perpetual Sukuk Musharakah of RM5,000,000 nominal value under its Perpetual Sukuk Musharakah Programme of up to RM500 million.

The proceeds arising from the Perpetual Sukuk will be utilised for Shariah-compliant purposes which include refinancing of existing financing/borrowings, capital expenditure, asset acquisition, working capital, general corporate purposes and defray fees, costs and expenses in relation to the issuance of the Perpetual Sukuk Musharakah.

The salient features of the Perpetual Sukuk are as follows:

- (a) The Perpetual Sukuk is issued under the Shariah principle of Musharakah and unrated;
- (b) The Perpetual Sukuk issued carried an initial fixed periodic distribution rate of 6.50% per annum payable on a semi-annual basis in arrears. The periodic distribution rate of any tranche of perpetual sukuk will be reset at the aggregate of the initial period distribution rate plus set-up margin provided that such rate is capped at maximum rate;
- (c) No fixed redemption date but the Company has the option to redeem on the First Call date and on each subsequent semi-annual periodic distribution date;

NOTES TO THE FINANCIAL STATEMENTS

16. PERPETUAL SUKUK (CONT'D)

The salient features of the Perpetual Sukuk are as follows: (cont'd)

- (d) The Company also has the option to redeem the Perpetual Sukuk under the following circumstances:
- (i) Accounting Event - if the Perpetual Sukuk is or will no longer be recorded as equity as a result of changes to accounting standards;
 - (ii) Tax Event - if the Company is or will become obliged to pay additional amount of tax due to changes in tax laws or regulations;
 - (iii) Change in Control Event - if Ho Wen Yan ceases to be the single largest shareholder (directly or indirectly) of the Company;
 - (iv) Leverage Event - if the Net Debts over Equity Ratio of the Company (on a consolidated basis) exceeds 1.25 times;
 - (v) Privatisation Event - if the Company fails to maintain the status as a public listed company on Bursa Malaysia Securities Berhad and is delisted;
 - (vi) Shareholder Event - if the Company reduces the issued and fully paid ordinary shares; and
 - (vii) Sinking Fund Event - if the Company fails to deposit the required build up for the nominal value of the applicable Secured Perpetual Sukuk Musharakah.
- (e) Payment obligations on the Perpetual Sukuk will at all times, rank ahead of the holders of Junior Obligations of the Company and rank pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company.

In the previous financial year, the Company settled its outstanding Perpetual Sukuk amounting to RM5,000,000 through voluntary redemption in cash, in accordance with the terms and conditions of the Sukuk agreement.

Upon settlement, the Perpetual Sukuk was derecognised from equity, and no gain or loss was recognised, as the transaction was with equity holders and recorded directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

17. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Non-current					
Trade					
Trade payables	a	18,947,983	24,349,165	-	-
Non-trade					
Refundable deposits		298,696	312,679	-	-
		19,246,679	24,661,844	-	-
Current					
Trade					
Trade payables		46,281,265	49,112,488	-	-
Non-trade					
Amounts due to subsidiaries	b	-	-	61,587,688	50,466,089
Accrued operating expenses		7,009,792	11,986,962	1,260,550	1,201,900
Other payables		8,286,280	9,274,105	225,341	245,451
Refundable deposits		1,236,727	1,217,737	11,070	11,070
Provisions	c	154,979	157,769	-	-
		16,687,778	22,636,573	63,084,649	51,924,510
		62,969,043	71,749,061	63,084,649	51,924,510
		82,215,722	96,410,905	63,084,649	51,924,510

Note a

Non-current trade payables are retention sums which are payable upon the expiry of the defects liability period and compensation owing to authorities that are payable upon development of land held for future development.

Note b

The amounts due to subsidiaries which amounting to RM33,528,293 (2025: RM21,038,023) are unsecured, subject to interest rate at 2.83% (2025: 3.03%) per annum and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

17. TRADE AND OTHER PAYABLES (CONT'D)

Note c

The movements of the provisions are as follows:

	Group	
	2026 RM	2025 RM
At 1 April	157,769	205,165
Recognised in profit or loss	-	40,917
Payment during the financial year	(2,790)	(88,313)
At 31 March	154,979	157,769

18. LOANS AND BORROWINGS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Non-current				
<u>Secured</u>				
Sukuk Murabahah	-	1,852,000	-	1,852,000
Term loans	148,929,359	118,601,922	-	390,367
Islamic cash line facility	34,884,679	19,918,276	34,884,679	19,918,276
	183,814,038	140,372,198	34,884,679	22,160,643
Current				
<u>Secured</u>				
Sukuk Murabahah	1,852,000	1,858,000	1,852,000	1,858,000
Term loans	10,980,910	6,225,594	393,660	1,025,594
Revolving loans	20,000,000	18,000,000	20,000,000	18,000,000
Islamic cash line facility	3,358,000	10,041,000	3,358,000	10,041,000
Banker's acceptance	-	277,000	-	-
Bank overdrafts	42,257,974	15,396,812	15,208,040	6,039,325
	78,448,884	51,798,406	40,811,700	36,963,919
	262,262,922	192,170,604	75,696,379	59,124,562

Securities

The Group's and the Company's secured Sukuk Murabahah, term loans, revolving loans, Islamic cash line facility, banker's acceptance and bank overdrafts are secured by the following:

- legal charge over property, plant and equipment (Note 2), investment properties (Note 4) and inventories (Note 8);
- pledged of Magna Prima Berhad's shares held by a subsidiary (Note 7);
- deposits placed with licensed banks (Note 10); and
- corporate guarantee by the Company and certain subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

18. LOANS AND BORROWINGS (CONT'D)

Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1.4.2024 RM	Drawdown of loans and borrowings RM	Repayment of loans and borrowings RM	Other movements RM	At 31.3.2025/ 1.4.2025 RM	Drawdown of loans and borrowings RM	Repayment of loans and borrowings RM	Other movements RM	At 31.3.2026 RM
Group									
Sukuk Murabahah	8,202,000	-	(4,492,000)	-	3,710,000	-	(1,858,000)	-	1,852,000
Term loans	116,167,934	57,400,000	(48,740,418)	-	124,827,516	97,531,929	(62,815,726)	366,550	159,910,269
Banker's acceptance	501,000	849,000	(1,073,000)	-	277,000	-	(277,000)	-	-
Revolving loans	23,278,451	20,000,000	(25,278,451)	-	18,000,000	6,000,000	(4,000,000)	-	20,000,000
Islamic cash line facility	19,788,751	10,000,000	-	170,525	29,959,276	10,000,000	(1,716,597)	-	38,242,679
Lease liabilities	302,694	-	(302,691)	44,263	44,266	-	(87,190)	456,787	413,863
Total liabilities from financing activities	168,240,830	88,249,000	(79,886,560)	214,788	176,818,058	113,531,929	(70,754,513)	823,337	220,418,811
Company									
Sukuk Murabahah	8,202,000	-	(4,492,000)	-	3,710,000	-	(1,858,000)	-	1,852,000
Term loans	2,369,202	-	(953,241)	-	1,415,961	-	(1,025,301)	3,000	393,660
Revolving loans	23,278,451	20,000,000	(25,278,451)	-	18,000,000	6,000,000	(4,000,000)	-	20,000,000
Islamic cash line facility	19,788,751	10,000,000	-	170,525	29,959,276	10,000,000	(1,716,597)	-	38,242,679
Lease liabilities	147,744	-	(135,488)	-	12,256	-	(4,826)	642	8,072
Amount due to subsidiaries	55,830,292	12,732,305	(18,811,319)	714,811	50,466,089	30,778,000	(20,493,289)	836,888	61,587,688
Total liabilities from financing activities	109,616,440	42,732,305	(49,670,499)	885,336	103,563,582	46,778,000	(29,098,013)	840,530	122,084,099

Other movements include new leases and interest payables.

NOTES TO THE FINANCIAL STATEMENTS

19. LEASE LIABILITIES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Non-current	256,954	27,583	3,015	7,614
Current	156,909	16,683	5,057	4,642
	413,863	44,266	8,072	12,256

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Within 1 year	179,653	18,620	5,215	4,920
Between 1 - 2 years	177,480	13,620	3,042	4,920
Between 2 - 5 years	93,810	15,920	-	2,870
	450,943	48,160	8,257	12,710
Less: Future finance charges	(37,080)	(3,894)	(185)	(454)
Present value of lease liabilities	413,863	44,266	8,072	12,256

The Group and the Company lease a number of premises and office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The average effective interest rate per annum at the end of reporting period for lease liabilities are ranging from 2.74% to 6.76% (2025: 2.74% to 6.76% per annum).

20. REVENUE

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Revenue from contracts with customers	61,376,869	101,971,443	5,178,600	5,783,400
Other revenue				
- Dividend income	-	-	300,000	3,378,000
- Rental income	2,638,985	2,589,398	-	-
	2,638,985	2,589,398	300,000	3,378,000
	64,015,854	104,560,841	5,478,600	9,161,400

NOTES TO THE FINANCIAL STATEMENTS

20. REVENUE (CONT'D)

20.1 Disaggregation of revenue from contracts with customers

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Major products and services				
Sales of development properties	49,268,387	30,856,375	-	-
Sales of developed properties	4,746,544	67,441,334	-	-
Trading of building materials	5,966,173	2,481,573	-	-
Operating of restaurant, laundry and vending machine	32,290	33,278	-	-
Management fee	1,363,475	1,158,883	5,178,600	5,783,400
	61,376,869	101,971,443	5,178,600	5,783,400
Timing and recognition				
At a point in time	10,745,007	69,956,185	-	-
Over time	50,631,862	32,015,258	5,178,600	5,783,400
	61,376,869	101,971,443	5,178,600	5,783,400

NOTES TO THE FINANCIAL STATEMENTS

20. REVENUE (CONT'D)

20.2 Nature of goods and services

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sales of development properties	Revenue is recognised over time using the input method. Development properties sold to customers typically do not have alternative use and the Group has rights to payment for work performed.	Based on milestone progress billings submitted to customers which are approved by accredited architect and subjected to a credit period of 30 days.	Not applicable	Not applicable	The Group is required to fulfil warranty obligation over defect liability period of 2 years from the handover of properties to customers.
Sales of developed properties and land held for property development	Revenue is recognised when right to pledge the developed properties is given to the customer.	Based on progress billings, which is subjected to 30 days credit period, with 10% payable upon signing of contract and remaining 90% billable 3 months from date of signing of contract.	Not applicable	Not applicable	Not applicable
Trading of building materials	Revenue is recognised when the goods are delivered and accepted by customers at their premises.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable
Operating of restaurant, laundry and vending machine	Revenue is recognised when goods/services are served/delivered.	No credit term is given.	Not applicable	Not applicable	Not applicable
Management fee	Revenue is recognised over time as and when management services are performed.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable

NOTES TO THE FINANCIAL STATEMENTS

20. REVENUE (CONT'D)

20.3 Transaction price allocated to the remaining performance obligations

Transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date of RM16,113,893 (2025: RM46,260,495) are expected to be recognised as revenue progressively over the financial years 2027 to 2029 (2025: 2026 to 2027).

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

20.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For revenue recognised over time using the cost incurred method, the Group measured the performance of work done by comparing the actual costs incurred with the estimated total costs required to complete the work. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience of completed developed properties. A change in the estimates will directly affect the revenue to be recognised.
- For revenue recognised in respect of contracts with customers who are not supported by end-financiers, the Group has assessed and determined that collectability of the consideration from these customers is probable. In making this judgement, the Group has considered the trend of collections from these customers and the general background of these customers.

NOTES TO THE FINANCIAL STATEMENTS

21. OTHER INCOME

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Interest income of financial assets calculated using the effective interest method that are at amortised cost:				
- interest income	133,890	157,595	5,394,450	5,564,667
	133,890	157,595	5,394,450	5,564,667
Deposits forfeited	20,300	11,900	-	-
Payables write-back	281,021	-	-	-
Rental income				
- investment properties	26,350	26,100	117,550	117,300
- parking income	528,273	435,695	-	-
- others	1,163,716	1,059,628	-	-
Reversal of provision for damage claims	-	306,536	-	306,536
Sundry income	735,648	641,638	-	5,531
	2,889,198	2,639,092	5,512,000	5,994,034

22. RESULTS FROM OPERATING ACTIVITIES

Results from operating activities are arrived at after charging/(crediting) amongst other:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Auditors' remuneration:				
- Audit fees				
- current year	254,000	239,500	87,000	85,000
- under provision in prior years	-	800	-	-
- Non-audit fees	6,000	6,000	6,000	6,000

NOTES TO THE FINANCIAL STATEMENTS

22. RESULTS FROM OPERATING ACTIVITIES (CONT'D)

Results from operating activities are arrived at after charging/(crediting) amongst other: (cont'd)

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Material expense/(income)				
Amortisation of:				
- concession assets	671,943	671,943	-	-
Bad debts written off	26,212	2,934	15,589	-
Depreciation of:				
- investment properties	43,789	42,758	46,057	46,058
- property, plant and equipment	2,361,222	696,282	199,400	298,430
- right-of-use assets	112,436	211,550	47,697	47,658
Deposit written off	4,332	676,800	-	674,300
Impairment loss on intangible assets	-	1,394,405	-	-
Reversal of write-down of inventories	(484,734)	-	-	-
Non-Executive Directors' remuneration	708,649	709,772	687,649	689,648
Payable write-back	(281,021)	-	-	-
Property, plant and equipment written off	9,592	14,464	-	-
Expenses arising from leases:				
Expenses relating to short-term leases (a)	261,354	251,076	-	-
Expenses relating to leases of low-value assets (a)	27,169	20,461	-	-
Net losses/(gains) on impairment of financial instruments				
Financial assets at amortised cost	766,031	352,631	16,990	458,334

- (a) The Group leases a number of properties and office equipment with contract terms of not more than one year. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS

23. FINANCE COSTS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Interest expense of financial liabilities that are not at fair value through profit of loss:				
- bank overdrafts	1,797,426	1,894,204	665,588	853,420
- banker's acceptance	5,860	13,022	-	-
- bank loans	11,603,032	8,971,350	3,823,293	4,188,202
- lease liabilities	17,254	19,053	340	14,155
- intercompany loan	-	-	836,888	714,811
- other financial liabilities carried at amortised cost	934,420	531,168	-	127,753
	14,357,992	11,428,797	5,326,109	5,898,341
Capitalised on qualifying assets - inventories	(10,117,377)	(6,705,935)	-	-
Recognised in profit or loss	4,240,615	4,722,862	5,326,109	5,898,341

Material accounting policy information

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred and reported in finance costs.

24. EMPLOYEE BENEFITS EXPENSE AND KEY MANAGEMENT PERSONNEL COMPENSATION

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Salaries and bonus	7,246,962	6,641,203	3,786,420	3,631,350
EIS contributions	9,186	7,249	3,349	2,668
EPF contributions	933,028	865,051	471,526	450,934
Social security contributions	81,234	64,178	29,974	23,906
	8,270,410	7,577,681	4,291,269	4,108,858

Included in employees' benefits expenses of the Group and of the Company is Executive Directors' remuneration, excluding benefits-in-kind, amounting to RM1,215,289 (2025: RM1,275,880).

NOTES TO THE FINANCIAL STATEMENTS

24. EMPLOYEE BENEFITS EXPENSE AND KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensations are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
<u>Executive Director</u>				
- Salaries and other emoluments	1,074,240	1,128,000	1,074,240	1,128,000
- EIS contributions	143	127	143	127
- EPF contributions	139,656	146,640	139,656	146,640
- Social security contributions	1,250	1,113	1,250	1,113
Total Executive Director's remuneration (excluding benefit-in-kind)	1,215,289	1,275,880	1,215,289	1,275,880
Estimated money value of benefit-in-kind	1,123	7,200	1,123	7,200
Total Executive Director's remuneration (including benefit-in-kind)	1,216,412	1,283,080	1,216,412	1,283,080
<u>Non-Executive Directors</u>				
- Fees	678,649	679,772	657,649	659,648
- Other emoluments	30,000	30,000	30,000	30,000
Total Non-Executive Directors remuneration (excluding benefits-in-kind)	708,649	709,772	687,649	689,648
Estimated money value of benefits-in-kind	7,200	7,200	7,200	7,200
Total Non-Executive Directors' remuneration (including benefits-in-kind)	715,849	716,972	694,849	696,848
Total key management personnel compensation	1,932,261	2,000,052	1,911,261	1,979,928

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2026	2025
Executive director		
RM1,250,001 - RM1,300,000	1	1
RM1,400,001 - RM1,450,000	-	-
Non-executive directors		
RM50,001 - RM100,000	-	-
RM100,001 - RM150,000	4	4
RM150,001 - RM200,000	1	1

NOTES TO THE FINANCIAL STATEMENTS

25. TAX EXPENSE

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Recognised in profit or loss				
Income tax expense				
Current tax	4,948,447	7,236,287	600,683	765,301
Prior years	(832,843)	(1,064,771)	(765,301)	(837,658)
Total income tax recognised in profit or loss	4,115,604	6,171,516	(164,618)	(72,357)
Deferred tax expense				
Origination and reversal of temporary differences	(2,352,683)	(1,664,550)	-	443,867
Prior years	(149,915)	(683,351)	-	-
	(2,502,598)	(2,347,901)	-	443,867
	1,613,006	3,823,615	(164,618)	371,510
Reconciliation of tax expense				
Profit before tax	(3,121,632)	10,150,784	(1,933,798)	401,632
Income tax calculated using Malaysian tax rate of 24%	(749,192)	2,436,189	(464,112)	96,392
Non-taxable income	(133,271)	(884,289)	(72,000)	(884,289)
Non-deductible expenses	5,862,579	3,119,987	1,106,889	1,406,378
Deferred tax assets not recognised	248,637	899,850	29,906	590,687
Utilisation of previously unrecognised deferred tax assets	(2,632,989)	-	-	-
Over provision in prior years				
- income tax	(832,843)	(1,064,771)	(765,301)	(837,658)
- deferred tax	(149,915)	(683,351)	-	-
	1,613,006	3,823,615	(164,618)	371,510

NOTES TO THE FINANCIAL STATEMENTS

25. TAX EXPENSE (CONT'D)

The Group and the Company have unutilised business losses and unabsorbed capital allowance for carry forward to offset future taxable profits as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Unutilised business losses	81,134,864	73,686,238	10,233,004	10,233,004
Unabsorbed capital allowance	7,042,273	8,820,311	2,402,374	2,322,312
	88,177,137	82,506,549	12,635,378	12,555,316

Unutilised business losses will expire in the following financial years:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Expiring in 2028	17,268,058	18,003,281	6,148,186	6,148,186
Expiring in 2029	6,776,852	7,264,407	-	-
Expiring in 2030	8,064,749	8,926,692	-	-
Expiring in 2031	11,624,130	11,983,463	-	-
Expiring in 2032	9,030,634	9,148,476	-	-
Expiring in 2033	4,981,059	5,031,116	-	-
Expiring in 2034	7,257,630	7,554,630	3,260,409	3,260,409
Expiring in 2035	5,776,382	5,774,173	824,409	824,409
Expiring in 2036	10,355,370	-	-	-
	81,134,864	73,686,238	10,233,004	10,233,004

Based on the current legislation, any unutilised business losses shall be carried forward for a maximum period of ten consecutive years of assessment immediately following that year of assessment, whereas the unabsorbed capital allowance are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

26. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2026 was based on the loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, calculated as follows:

	2026	2025
Group		
RM		
(Loss)/Profit for the financial year attributable to owners of the Company	(4,576,813)	6,572,307
<i>Weighted average number of ordinary shares in issue:</i>		
Issued ordinary shares at 1 April/31 March Weighted average number of ordinary shares	440,000,000	440,000,000
Sen		
Basic (loss)/earnings per ordinary shares	(1.04)	1.49

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 March 2026 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	2026	2025
Group		
RM		
(Loss)/Profit for the financial year attributable to owners of the Company	(4,576,813)	6,572,307
Weighted average number of ordinary shares used in the calculation of basic of earnings per share	440,000,000	440,000,000
Effect of warrants	76,598,069	68,715,287
Weighted average number of ordinary shares	516,598,069	508,715,287
Sen		
Diluted (loss)/earnings per ordinary shares	(0.89)	1.29

27. DIVIDENDS

The Directors do not recommend any dividend to be paid for the financial year ended 31 March 2026.

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL GUARANTEE

	2026 RM	2025 RM
Company Secured:		
Bank guarantee facilities utilised by subsidiaries	3,756,492	4,458,298
Unsecured:		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	186,566,543	133,046,042

29. OPERATING SEGMENTS

The Group has 2 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different business strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Board of Directors) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(i) Property development segment

The property development segment is in the business of constructing and developing residential and commercial properties. This reportable segment has been formed by aggregating the property development operating segment and the investment properties operating segment, which are regarded by management to exhibit similar economic characteristics.

(ii) Concession assets segment

Concession assets segment is the business of collection of rental over the concession periods from assets held under "build, operate and transfer" agreements.

Other non-reportable segments comprise operations related to trading of building materials, operating of restaurant, laundry and vending machine. None of these segments met the quantitative thresholds for reporting segments in 2026 and 2025.

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

29. OPERATING SEGMENTS (CONT'D)

	Property development RM	Concession assets RM	Total RM
Group 2026			
Segment gain	(6,754,704)	1,039,262	(5,715,442)
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	55,466,198	2,638,985	58,105,183
Depreciation and amortisation	(2,444,126)	(713,713)	(3,157,839)
Reversal of write-down of inventories	484,734	-	484,734
Net gain/(loss) on impairment loss on financial instruments	(792,335)	15,391	(776,944)
Other material non-cash items	262,715	9,677	272,392
Interest expense	(4,574,744)	(28,458)	(4,603,202)
Interest income	288,507	120,730	409,237
Segment assets	898,810,126	10,833,254	909,643,380
<i>Included in the measure of segment assets are:</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	8,383,731	-	8,383,731
Other investment	59,414,556	-	59,414,556
Segment liabilities	(382,660,453)	(1,826,975)	(384,487,428)

NOTES TO THE FINANCIAL STATEMENTS

29. OPERATING SEGMENTS (CONT'D)

	Property development RM	Concession assets RM	Total RM
Group			
2025			
Segment gain	6,367,919	283,041	6,650,960
<i>Included in the measure of segment profit/(loss) are:</i>			
Revenue from external customers	99,999,309	2,589,398	102,588,707
Depreciation and amortisation	(917,788)	(713,713)	(1,631,501)
Impairment loss on intangible assets	-	(1,394,405)	(1,394,405)
Net gain/(loss) on impairment loss on financial instruments	(708,499)	10,793	(697,706)
Other material non-cash items	(382,162)	8,900	(373,262)
Interest expense	(4,933,663)	(30,514)	(4,964,177)
Interest income	335,937	72,777	408,714
Segment assets	844,172,929	9,682,783	853,855,712
<i>Included in the measure of segment assets are:</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	6,919,280	-	6,919,280
Other investment	62,248,414	-	62,248,414
Segment liabilities	(335,232,695)	(1,715,766)	(336,948,461)

NOTES TO THE FINANCIAL STATEMENTS

29. OPERATING SEGMENTS (CONT'D)

Group	Segment profit RM	Segment revenue RM	Depreciation and amortisation RM	Interest expense RM	Interest income RM	Other material non-cash items RM	Segment assets RM	Segment liabilities RM
2026								
Total reportable segment	(5,715,442)	58,105,183	(3,157,839)	(4,603,202)	409,237	272,392	909,643,380	(384,487,428)
Other non-reportable segments	971,320	6,670,502	(72,577)	(158,498)	217,280	(11,207)	12,570,127	(10,377,640)
Elimination of inter- segment transaction	9,484	(759,831)	41,026	521,085	(492,627)	-	(35,913,650)	19,141,848
Consolidated total	(4,734,638)	64,015,854	(3,189,390)	(4,240,615)	133,890	261,185	886,299,857	(375,723,220)
2025								
Total reportable segment	6,650,960	102,588,707	(1,631,501)	(4,964,177)	408,714	(373,262)	853,855,712	(336,948,461)
Other non-reportable segments	(691,913)	3,007,744	(32,057)	(204,665)	164,347	(2,500)	7,721,541	(6,200,374)
Elimination of inter- segment transaction	368,122	(1,035,610)	41,025	445,980	(415,466)	-	(32,364,444)	15,583,159
Consolidated total	6,327,169	104,560,841	(1,622,533)	(4,722,862)	157,595	(375,762)	829,212,809	(327,565,676)

Geographical segments

The Group predominantly operates in Malaysia.

Major customers

There are no major customers with revenue equal or more than 10% of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

30. COMMITMENTS

	2026 RM	2025 RM
Group and Company		
Commitments to purchase land held for property development		
- Approved and contracted for	-	14,130,000
Commitments in respect of property, plant and equipment		
- Approved and contracted for	-	2,746,845

31. FINANCIAL INSTRUMENTS

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 March 2026, by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost RM	At FVTOCI RM	Total RM
Group			
2026			
Financial assets			
Other investment	-	59,414,556	59,414,556
Trade and other receivables	13,840,102	-	13,840,102
Cash and cash equivalents	14,725,929	-	14,725,929
	28,566,031	59,414,556	87,980,587
Financial liabilities			
Trade and other payables	82,215,722	-	82,215,722
Loans and borrowings	262,262,922	-	262,262,922
	344,478,644	-	344,478,644
2025			
Financial assets			
Other investment	-	62,248,414	62,248,414
Trade and other receivables	27,570,798	-	27,570,798
Cash and cash equivalents	16,462,118	-	16,462,118
	44,032,916	62,248,414	106,281,330
Financial liabilities			
Trade and other payables	96,410,905	-	96,410,905
Loans and borrowings	192,170,604	-	192,170,604
	288,581,509	-	288,581,509

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments as at 31 March 2026, by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (cont'd)

	At amortised cost	
	2026 RM	2025 RM
Company		
Financial assets		
Trade and other receivables	190,451,114	168,174,263
Cash and cash equivalents	1,321,678	1,484,479
	191,772,792	169,658,742
Financial liabilities		
Trade and other payables	63,084,649	51,924,510
Loans and borrowings	75,696,379	59,124,562
	138,781,028	111,049,072

31.2 Net gains and losses arising from financial instruments

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Net gains/(losses) on:				
Financial assets measured at amortised cost	(1,597,105)	(1,405,938)	5,361,871	4,304,280
Financial liabilities measured at amortised cost	(3,285,895)	(3,873,258)	(5,326,109)	(5,464,052)
Equity instruments at FVTOCI				
- Recognised in other comprehensive income	13,664,142	4,630,048	-	-
	8,781,142	(649,148)	35,762	(1,159,772)

31.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from receivables from purchasers of properties ("purchasers") and deposits with banks and financial institutions. The Company is also exposed to credit risk in respect of advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Normally, purchasers are supported by the end-financiers which are reputable banks in Malaysia. For self-financed purchasers, the Group and the Company extend credit based upon evaluation of the purchasers' general background. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

At each reporting date, the Group and the Company assess whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

The Group generally does not receive any collateral and credit enhancement from purchasers. However, the Group mitigate its credit risk by maintaining its name as the registered owner of the properties until full settlement by the purchaser of the self-financed portion of the purchase consideration or upon undertaking of end-financing by the purchasers' end-financier.

Concentration of credit risk

At the end of the financial year, the Group has no significant concentration of credit risk as its exposure spread over a large number of customers.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Group's debt recovery process is as follows:

- a) Above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the credit control department; and
- b) If the customer did not abide by the agreed debt restructuring arrangement, the Group will issue notice of termination to commence termination of contract and recovery of the properties sold in order to reduce the credit risk exposure.

The Group measures expected credit loss ("ECL") of trade receivables individually. Consistent with the debt recovery process, invoices of which customers have defaulted on debt recovery arrangements are generally considered as credit impaired.

Loss rates are determined for each individual purchasers using past payment trends and other external information relating to the purchasers that are publicly available. In determining the loss rates for each individual purchaser, the Group also considers the value of properties sold that could be recovered upon termination of contract which will reduce credit loss arising from the trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2026 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
2026			
Not past due	13,362,531	(9)	13,362,522
Past due 1 - 30 days	127,976	(396)	127,580
Past due 31 - 120 days	1,618,145	(547)	1,617,598
Past due 121 - 180 days	913,200	(8,761)	904,439
Past due more than 181 days	2,758,449	(79)	2,758,370
	18,780,301	(9,792)	18,770,509
Individually impaired	613,512	(613,512)	-
	19,393,813	(623,304)	18,770,509
Trade receivables	7,757,862	(623,304)	7,134,558
Contract assets	11,635,951	-	11,635,951
	19,393,813	(623,304)	18,770,509
2025			
Not past due	16,840,702	(20,306)	16,820,396
Past due 1 - 30 days	4,577,506	(23,273)	4,554,233
Past due 31 - 120 days	4,928,817	(82,341)	4,846,476
Past due 121 - 180 days	987,199	(36)	987,163
Past due more than 181 days	403,647	(10,153)	393,494
	27,737,871	(136,109)	27,601,762
Individually impaired	628,904	(628,904)	-
	28,366,775	(765,013)	27,601,762
Trade receivables	18,856,129	(765,013)	18,091,116
Contract assets	9,510,646	-	9,510,646
	28,366,775	(765,013)	27,601,762

The Group did not receive any collateral in respect of the above trade receivables and contract assets.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

There are trade receivables where the Group has not recognised any loss allowance as the Group has maintained its name as the registered owner of the properties sold to customers until the trade receivables are collected.

The movements in the allowance for impairment in respect of trade receivables and contract assets during the financial year are shown below.

	Group	
	2026 RM	2025 RM
Trade receivables - Credit impaired		
At beginning of financial year	765,013	640,959
Net remeasurement of loss allowance	(141,709)	124,054
At end of financial year	623,304	765,013

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements 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 for.

Other receivables and deposits

Credit risks on other receivables and deposits are mainly arising from deposits and advances paid for property development activities to government entities, contractors and consultants. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The movements in the allowance for impairment in respect of other receivables and deposits during the financial year are shown below.

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At beginning of financial year	245,865	17,288	101,751	-
Net remeasurement of loss allowances	907,740	228,577	907,740	101,751
At end of financial year	1,153,605	245,865	1,009,491	101,751

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk (cont'd)

Other receivables and deposits (cont'd)

The other receivables, except for the credit impaired refundable deposits, have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of its subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for amounts due from subsidiaries as at 31 March 2026.

	Company	
	2026 RM	2025 RM
Amounts due from subsidiaries	195,053,598	171,619,062
Loss allowance - Credit impaired	(4,978,691)	(5,869,441)
	190,074,907	165,749,621

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk (cont'd)

Inter-company balances (cont'd)

Recognition and measurement of impairment loss (cont'd)

The movements in the allowance for impairment in respect of amounts due from subsidiaries during the year are shown below.

	Company	
	2026 RM	2025 RM
Amounts due from subsidiaries		
- Credit impaired		
At beginning of financial year	5,869,441	5,512,858
Net remeasurement of loss allowance	(890,750)	356,583
At end of financial year	4,978,691	5,869,441

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM186,566,543 (2025: RM133,046,042) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 5 years RM	More than 5 years RM
2026						
Group						
<i>Non-derivative financial liabilities</i>						
Trade and other payables						
- non-interest bearing	82,215,722	-	82,215,722	62,969,043	19,246,679	-
Lease liabilities	413,863	2.74 - 6.76	450,943	179,653	271,290	-
Loans and borrowings	262,262,922	4.72 - 7.01	309,093,082	89,322,359	185,045,184	34,725,539
	344,892,507		391,759,747	152,471,055	204,563,153	34,725,539
Company						
<i>Non-derivative financial liabilities</i>						
Trade and other payables						
- interest bearing	33,528,293	2.83	33,528,293	33,528,293	-	-
- non-interest bearing	29,556,356	-	29,556,356	29,556,356	-	-
Lease liabilities	8,072	2.74	8,257	5,215	3,042	-
Loans and borrowings	75,696,379	4.72 - 7.01	84,792,736	43,661,487	33,918,050	7,213,199
Financial guarantee*	-	-	186,566,543	186,566,543	-	-
	138,789,100		334,452,185	293,317,894	33,921,092	7,213,199

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (cont'd)

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 5 years RM	More than 5 years RM
2025						
Group						
<i>Non-derivative financial liabilities</i>						
Trade and other payables						
- non-interest bearing	96,410,905	-	96,410,905	71,749,061	24,661,844	-
Lease liabilities	44,266	2.74 - 6.76	48,160	18,620	29,540	-
Loans and borrowings	192,170,604	5.40 - 7.26	218,654,303	61,080,987	151,820,476	5,752,840
	<u>288,625,775</u>		<u>315,113,368</u>	<u>132,848,668</u>	<u>176,511,860</u>	<u>5,752,840</u>
Company						
<i>Non-derivative financial liabilities</i>						
Trade and other payables						
- interest bearing	21,038,023	3.03	21,038,023	21,038,023	-	-
- non-interest bearing	30,886,487	-	30,886,487	30,886,487	-	-
Lease liabilities	12,256	2.74	12,710	4,920	7,790	-
Loans and borrowings	59,124,562	5.40 - 7.26	64,754,422	39,187,126	21,486,704	4,080,592
Financial guarantee*	-	-	133,046,042	133,046,042	-	-
	<u>111,061,328</u>		<u>249,737,684</u>	<u>224,162,598</u>	<u>21,494,494</u>	<u>4,080,592</u>

* Based on the maximum amount that can called for under the financial guarantee contract.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's and the Company's financial position or cash flows.

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and lease liabilities are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investment in financial assets, short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate loans and borrowings. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Fixed rate instruments				
Financial assets	2,764,802	1,743,132	273,432	273,432
Lease liabilities	(413,863)	(44,266)	(8,072)	(12,256)
	2,350,939	1,698,866	265,360	261,176
Floating rate instruments				
Financial assets	-	-	189,907,243	165,749,621
Financial liabilities	(262,262,922)	(192,170,604)	(109,224,672)	(80,162,585)
	(262,262,922)	(192,170,604)	80,682,571	85,587,036

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.6 Market risk (cont'd)

Interest rate risk (cont'd)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss, and the Group and the Company do not designate any derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Floating rate instruments				
100 bp increase	(1,993,198)	(1,460,497)	612,152	650,461
100 bp decrease	1,993,198	1,460,497	(612,152)	(650,461)

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables, payables and borrowings reasonably approximate fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses non-current financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
Group									
2026									
Financial assets									
Non-current									
Deposits placed with licensed banks	-	-	-	-	-	-	4,423,226	4,423,226	4,423,226
Refundable deposits	-	-	-	-	-	-	2,454,470	2,454,470	2,454,470
Other investment	59,414,556	-	-	59,414,556	-	-	-	-	59,414,556
	59,414,556	-	-	59,414,556	-	-	6,877,696	6,877,696	66,292,252
Financial liabilities									
Non-current									
Trade payables	-	-	-	-	-	-	18,947,983	18,947,983	18,947,983
Refundable deposits	-	-	-	-	-	-	298,696	298,696	298,696
Loans and borrowings	-	-	-	-	-	-	183,814,038	183,814,038	183,814,038
	-	-	-	-	-	-	203,060,717	203,060,717	203,060,717

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.7 Fair value information (cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
Group									
2025									
Financial assets									
Non-current									
Deposits placed with licensed banks	-	-	-	-	-	-	1,931,856	1,931,856	1,931,856
Refundable deposits	-	-	-	-	-	-	2,232,460	2,232,460	2,232,460
Other investment	62,248,414	-	-	62,248,414	-	-	-	-	62,248,414
	62,248,414	-	-	62,248,414	-	-	4,164,316	4,164,316	66,412,730
Financial liabilities									
Non-current									
Trade payables	-	-	-	-	-	-	24,349,165	24,349,165	24,349,165
Refundable deposits	-	-	-	-	-	-	312,679	312,679	312,679
Loans and borrowings	-	-	-	-	-	-	140,372,198	140,372,198	140,372,198
	-	-	-	-	-	-	165,034,042	165,034,042	165,034,042

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.7 Fair value information (cont'd)

	Fair value of financial instruments not carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
Company					
2026					
Financial assets					
Non-current					
Deposits with licensed banks	-	-	373,432	373,432	373,432
Refundable deposits	-	-	30,420	30,420	30,420
	-	-	403,852	403,852	403,852
Financial liabilities					
Non-current					
Loans and borrowings	-	-	34,884,679	34,884,679	34,884,679
2025					
Financial assets					
Non-current					
Deposits with licensed banks	-	-	373,432	373,432	373,432
Refundable deposits	-	-	30,420	30,420	30,420
	-	-	403,852	403,852	403,852
Financial liabilities					
Non-current					
Loans and borrowings	-	-	22,160,643	22,160,643	22,160,643

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2025: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONT'D)

31.7 Fair value information (cont'd)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as key unobservable inputs used in the valuation method.

Type	Valuation technique and key inputs	Significant unobservable inputs
Advances to subsidiaries	Discounted cash flows using a rate based on the current market rate of borrowing of the Group entities at the reporting date.	Interest rate (2.83%)

32. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group's approach for capital management is to monitor and maintain an optimal debt-to-equity ratio. The debt-to-equity ratios at 31 March 2026 and 31 March 2025 are as follows:

	Group	
	2026 RM	2025 RM
Loans and borrowings	262,262,922	192,170,604
Lease liabilities	413,863	44,266
Less: Deposits placed with licensed banks	(2,764,802)	(1,743,132)
Less: Cash and bank balances	(11,961,127)	(14,718,986)
Net debts	247,950,856	175,752,752
Total equity	510,576,637	501,647,133
Debt-to-equity ratio	49%	35%

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

33. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel are only Directors of the Group.

The Group has related party relationship with its holding company, subsidiaries, associate and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company, other than key management personnel compensation (see Note 24) and dividend income, are shown below. The balances related to the below transactions are shown in Note 9 and Note 17.

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Subsidiaries				
Dividend income	-	-	300,000	3,378,000
Interest receivables	-	-	5,394,448	5,552,157
Interest payables	-	-	836,888	714,811
Management fee received	-	-	5,178,600	5,783,400
Management fee paid	-	-	51,168	-
Rental received	-	-	91,200	91,200

34. SUBSEQUENT EVENTS

On 22 April 2026, the Company repurchased 4,480,540 units of ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.195 per share. The total consideration paid for the repurchase, including transaction costs, was RM876,152. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 89 to 162 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026 and of their financial performance and cash flows for the financial year then ended.

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

.....
Ho Wen Yan
Director

.....
Ho Wen Fan
Director

Kuala Lumpur,

Date: 22 July 2026

STATUTORY DECLARATION

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

I, **Lam Cho Wai**, the officer primarily responsible for the financial management of Hua Yang Berhad, do solemnly and sincerely declare that the financial statements set out on pages 89 to 162, to the best of my knowledge and belief are correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Lam Cho Wai, NRIC: 781026-14-6433, MIA: CA 37324, at Kuala Lumpur in the Federal Territory on 22 July 2026.

.....
Lam Cho Wai

Before me:

.....
Commissioner for Oaths

Shahira Azineeh Binti Abdul Aziz

No. W1099

E-03A-06 Bangunan Avenue 1

Jalan Tun Razak

50400 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

To the Members of Hua Yang Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hua Yang Berhad, which comprise the statements of financial position as at 31 March 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 then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 89 to 162.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for 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.

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT

To the Members of Hua Yang Berhad

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
Revenue recognition for property development activities The Group recorded revenue from sales of development properties and developed properties amounting to RM49,268,387 and RM4,746,544 respectively. Revenue recognition from sales of development and developed properties is identified as a key audit matter because significant judgements were applied in revenue recognition, amongst others include: • Probability of collection of consideration from purchasers, especially cash and foreign purchasers. • Measurement of progress towards satisfaction of performance obligations using input method, in particular, relating to the estimation of the total costs required to complete the work used in the measurement of progress towards complete satisfaction of performance obligations.	• We reviewed contracts with customers and relevant supporting documents and assessed the appropriateness of revenue recognition under MFRS 15. • We reviewed the Group's assessment relating to the probability of collection of consideration from customers, in particular for customers who are not supported by end-financiers. • We agreed the estimated total costs to complete the works to the feasibility study prepared by the Group and compared the details of the estimated costs against documentary evidence in order to evaluate the reasonableness of the estimated total property development costs. • We corroborated the progress towards satisfaction of performance obligations using input method against the progress of construction works as stipulated in progress reports from contractors and our enquiry of site personnel. Based on the progress of the development, we considered the Group's exposure to liquidated ascertained damages claims from property buyers.
Valuation of developed properties Inventories of the Group comprised unsold developed properties amounting to RM42,586,811 from completed property development projects. Developed properties are measured at lower of cost and net realisable value. The determination of the estimated net realisable value for these developed properties depends on the Group's expectation on future selling prices. Valuation of developed properties is identified as a key audit matter because these developed properties were available for sales since the launch of the property development projects in previous financial years and the challenges faced by the Group in selling these developed properties may indicate that the Group's expectation of future selling prices may not be attainable.	• We checked the valuation of developed properties against selling prices for developed properties sold subsequent to financial year end or selling prices of similar developed properties sold within the same development project to identify indications that net realisable value of developed properties are above their carrying amounts.

INDEPENDENT AUDITORS' REPORT

To the Members of Hua Yang Berhad

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
Impairment of investments in subsidiaries and amounts due from subsidiaries Investments in subsidiaries with carrying amount of RM335,059,826 is reviewed at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments in subsidiaries is estimated and impairment losses are recognised if the carrying amount of investments in subsidiaries exceeds their estimated recoverable amount. Amounts due from subsidiaries with carrying amount of RM190,074,907 is reviewed at the reporting date to determine whether it is credit impaired. Expected credit losses on amounts due from subsidiaries are reviewed at the reporting date. Impairment of investments in subsidiaries and amounts due from subsidiaries are identified as a key audit matter because the carrying amounts relating to certain loss making subsidiaries are material and the basis and key assumptions used in determining the amount of impairment is subject to significant estimation uncertainty and changes to these key assumptions are highly sensitive.	• We have checked the impairment indicators reviewed by the Company in respect of investments in subsidiaries, which includes review of the financial performance for the financial year and financial position at the reporting date for respective subsidiaries. • We have evaluated the reasonableness of the impairment loss in respect of investments in subsidiaries and amounts due from subsidiaries recorded by the Company, including the basis and assumption used to forecast future cash flows from subsidiaries in estimating the expected credit losses for the amounts due from subsidiaries and the calculation of recoverable amount for the investments in subsidiaries.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of Hua Yang Berhad

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

To the Members of Hua Yang Berhad

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other 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.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

LIM GE RU
03360/03/2028 J
Chartered Accountant

KUALA LUMPUR
22 JULY 2026