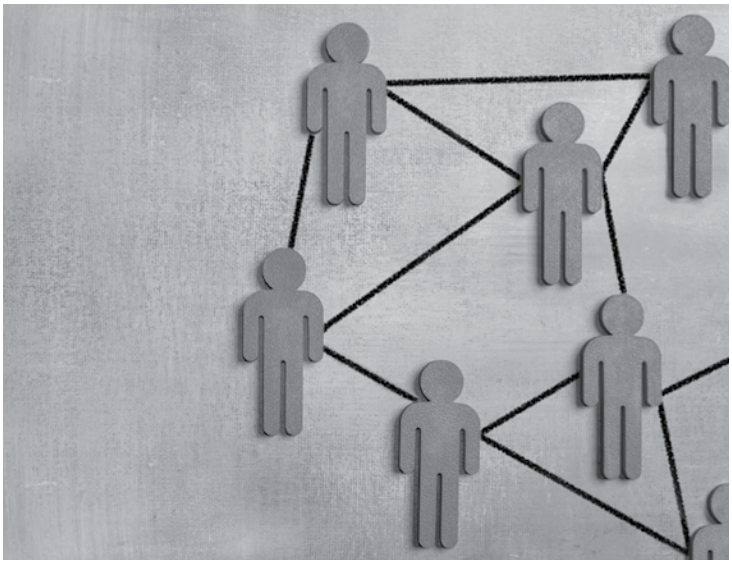
FINANCIAL STATEMENTS



DIRECTORS' REPORT

For The Year Ended 31 March 2026

The Directors have pleasure in submitting 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 principal activities of the Company are investment holding and provision of corporate management services.

There has been no significant change in the nature of these activities during the financial year.

Ultimate holding company

The Company is an indirect subsidiary of Temasek Holdings (Private) Limited, of which is incorporated in the Republic of Singapore and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	44,742	60,168

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the amount of dividends declared and paid by the Company were as follows :

i) In respect of the financial year ended 31 March 2025 :

- a first interim single tier dividend of 2.80 sen per ordinary share totalling RM18,956,000 declared on 23 May 2025 and paid on 8 August 2025.

ii) In respect of the financial year ended 31 March 2026 :

- a first interim single tier dividend of 1.40 sen per ordinary share totalling RM9,478,000 declared on 29 May 2026 and payable on 12 August 2026.

The Directors do not recommend any other dividend to be paid for the current financial year.

Directors of the Company

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

Tan Kai Hoe	
Shum Sze Keong	
Datuk Dr. Wong Lai Sum	
YM Tunku Afwida Binti Dato' Tunku Abdul Malek	
Suresh Natarajan	
Ng Chee Kiet	
Piroon Saengpakdee	
Ng Boon Keat	
Dato' Lim Bee Vian	
Chan Tai Heng, Jeremy	(Appointed on 18 December 2025)
Lim Hee Seng, Peter	(Retired on 20 August 2025)

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 March 2026

Directors of subsidiaries

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the Company's subsidiaries during the financial year until the date of this report are as follows :

Ng Boon Keat
Kong Suh Chin
Timothy Tung Kin Hoe
Larry Foo Wah Jin
Teh Mun Ling
Lim Hee Seng, Peter (Retired on 20 August 2025)

Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and of its related corporations of those who were Directors at financial year end (including the interests of the spouses and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Number of ordinary shares			
	Balance at 1.4.2025/ date of appointment*	**Bought**	**(Sold)**	**Balance at 31.3.2026**
Interests in the Company:				
Ng Boon Keat				
Direct interests:				
- own	838,536	-	-	838,536
Interest in the related corporations:				
Singapore Telecommunications Limited				
Tan Kai Hoe				
Direct interests:				
- own	190	-	(190)	-
Shum Sze Keong				
Direct interests:				
- own	1,610	-	-	1,610
Indirect interests:				
- others (1)	1,610	-	-	1,610
Suresh Natarajan				
Direct interests:				
- own	1,610	-	-	1,610
Chan Tai Heng, Jeremy				
Direct interests:				
- own	2,180*	-	-	2,180

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 March 2026

Directors' interests in shares (Cont'd)

	Number of ordinary shares			
	Balance at 1.4.2025/ date of appointment*	Bought	(Sold)	Balance at 31.3.2026
Interest in the related corporations (Cont'd):				
Mapletree Industrial Trust Management Ltd (Unit holdings in Mapletree Industrial Trust)				
Tan Kai Hoe				
Direct interests:				
- own	4,170	-	-	4,170
SIA Engineering Company Limited				
Tan Kai Hoe				
Direct interests:				
- own	9,000	-	-	9,000
CapitaLand India Trust Management Pte. Ltd .				
Tan Kai Hoe				
Direct interests:				
- own	23,000	-	-	23,000
CapitaLand Investment Limited				
Tan Kai Hoe				
Direct interests:				
- own	5,000	-	-	5,000
CapitaLand Integrated Commercial Trust Management Limited				
Tan Kai Hoe				
Direct interests:				
- own	1,000	-	(845)	155
Singapore Airlines Limited				
Tan Kai Hoe				
Direct interests:				
- own	7,500	-	-	7,500

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 March 2026

Directors' interests in shares (Cont'd)

	Number of ordinary shares			
	Balance at 1.4.2025/ date of appointment*	**Bought**	**(Sold)**	**Balance at 31.3.2026**
Interest in the related corporations (Cont'd):				
StarHub Ltd.				
Tan Kai Hoe				
Direct interests:				
- own	10,000	-	-	10,000
Paragon Reit Management Pte. Ltd.				
Tan Kai Hoe				
Direct interests:				
- own	92	-	(92)	-
CapitaLand Ascott Trust Management Limited				
Tan Kai Hoe				
Direct interests:				
- own	500	-	-	500

[1] Interests pursuant to Section 59(11)(c) of the Companies Act 2016

None of the other Directors holding office at 31 March 2026 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 March 2026

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 those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 March 2026 are as follows :

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	970	-
Remuneration	2,840	-
Estimated monetary value of benefit-in-kind	29	-
	3,839	-

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 were no changes in the issued and paid-up share capital of the Company and no debentures were issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, the total cost of insurance amounting to RM229,000 was incurred by the Company to cover the Directors and officers of the Group and of the Company for a total sum insured of RM162 million.

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company.

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) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business 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) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in 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.

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 March 2026

Other statutory information (Cont'd)

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

i) any charge on the assets of the Group or 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.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM738,000 and RM145,000 respectively.

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

……………………………………………………………..…..

Tan Kai Hoe
Director

……………………………………………………………..…..

Ng Boon Keat
Director

Date: 23 June 2026

STATEMENTS OF FINANCIAL POSITION

As At 31 March 2026

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Assets					
Property, plant and equipment	2	**610,397**	636,577	**4,606**	4,333
Right-of-use assets	3	**29,412**	34,985	**745**	1,490
Intangible assets	4	**78,919**	97,940	**2,322**	858
Investments in subsidiaries	5	**-**	-	**833,024**	775,177
Deferred tax assets	6	**31,730**	31,822	**-**	-
Other receivables	7	**10,198**	14,459	**-**	-
Total non-current assets		**760,656**	815,783	**840,697**	781,858
Inventories	8	**406,643**	438,930	**-**	-
Contract assets	9	**348,562**	317,036	**-**	-
Trade and other receivables	7	**355,658**	407,475	**4,673**	27,341
Derivative financial assets	10	**404**	1,115	**-**	-
Current tax assets		**1,697**	1,983	**-**	-
Cash and cash equivalents	11	**24,609**	27,982	**2,785**	1,812
Total current assets		**1,137,573**	1,194,521	**7,458**	29,153
Total assets		**1,898,229**	2,010,304	**848,155**	811,011
Equity					
Share capital	12	**702,215**	702,215	**702,215**	702,215
Reserves	13	**623,484**	723,701	**135,593**	94,381
Equity attributable to owners of the Company		**1,325,699**	1,425,916	**837,808**	796,596

STATEMENTS OF FINANCIAL POSITION (Cont'd)

As At 31 March 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Liabilities					
Loans and borrowings	14	**47,935**	86,703	**-**	-
Lease liabilities		**3,676**	5,998	**-**	775
Employee benefits	15	**1,374**	1,043	**-**	-
Deferred income	16	**110**	228	**-**	-
Other payables	18	**3,078**	7,842	**996**	2,607
Deferred tax liabilities	6	**21,630**	29,070	**-**	-
Total non-current liabilities		**77,803**	130,884	**996**	3,382
Loans and borrowings	14	**223,526**	166,272	**-**	-
Lease liabilities		**4,609**	5,501	**775**	744
Deferred income	16	**97**	181	**-**	-
Trade and other payables	18	**227,506**	231,953	**8,576**	9,734
Contract liabilities	9	**26,321**	37,262	**-**	-
Derivative financial liabilities	10	**3,692**	373	**-**	-
Provisions	17	**5,968**	7,472	**-**	-
Current tax liabilities		**3,008**	4,490	**-**	555
Total current liabilities		**494,727**	453,504	**9,351**	11,033
Total liabilities		**572,530**	584,388	**10,347**	14,415
Total equity and liabilities		**1,898,229**	2,010,304	**848,155**	811,011

The notes on pages 136 to 202 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 March 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Revenue	19	**1,440,671**	1,480,549	**96,795**	54,185
Cost of sales		**(1,298,297)**	(1,284,978)	**-**	-
Gross profit		**142,374**	195,571	**96,795**	54,185
Other operating income		**28,924**	25,763	**-**	1,567
Distribution expenses		**(2,739)**	(3,486)	**(85)**	(290)
Administrative expenses		**(88,639)**	(81,896)	**(36,429)**	(34,742)
Net gain/(loss) on impairment of financial instruments and contract assets	21	**2,872**	463	**-**	(15,937)
Other operating expenses		**(10,197)**	(8,458)	**(64)**	(1,614)
Results from operating activities		**72,595**	127,957	**60,217**	3,169
Interest income		**255**	534	**-**	-
Finance costs	20	**(8,785)**	(13,072)	**(48)**	(77)
Net finance costs		**(8,530)**	(12,538)	**(48)**	(77)
Profit before tax	21	**64,065**	115,419	**60,169**	3,092
Tax expense	23	**(19,323)**	(23,498)	**(1)**	(760)
Profit for the year		**44,742**	91,921	**60,168**	2,332

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd)

For The Year Ended 31 March 2026

	Note	<--- Group	--->	<--- Company	--->
		2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Items that are or may be reclassified subsequently to profit or loss					
Cash flow hedge		**470**	750	**-**	-
Foreign currency translation differences		**(126,473)**	(75,946)	**-**	-
Total other comprehensive expense for the year, net of tax		**(126,003)**	(75,196)	**-**	-
Total comprehensive (expense)/income for the year		**(81,261)**	16,725	**60,168**	2,332
Profit for the year attributable to:					
Owners of the Company		**44,742**	91,921	**60,168**	2,332
Total comprehensive (expense)/income for the year attributable to:					
Owners of the Company		**(81,261)**	16,725	**60,168**	2,332
Basic/Diluted earnings per ordinary share (sen)	24	**6.61**	13.58		

The notes on pages 136 to 202 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2026

	<----- Attributable to owners of the Company					----->
		<----- *Non-distributable*		----->	*Distributable*	
	Share capital RM'000	**Employees' Share Grant Scheme reserve RM'000**	**Hedging reserve RM'000**	**Translation reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2024	702,215	1,860	(1,540)	162,384	568,473	1,433,392
Other comprehensive income/(expense) for the year						
- Cash flow hedge	-	-	750	-	-	750
- Foreign currency translation differences	-	-	-	(75,946)	-	(75,946)
Total other comprehensive income/(expense) for the year	-	-	750	(75,946)	-	(75,196)
Profit for the year	-	-	-	-	91,921	91,921
Total comprehensive income/(expense) for the year	-	-	750	(75,946)	91,921	16,725
Transactions with owners of the Company						
- Share-based payment transactions	-	(1,860)	-	-	-	(1,860)
- Dividend to owners of the Company (Note 25)	-	-	-	-	(22,341)	(22,341)
	-	(1,860)	-	-	(22,341)	(24,201)
At 31 March 2025	702,215	-	(790)	86,438	638,053	1,425,916
	Note 12	<-----	Note 13		----->	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

For The Year Ended 31 March 2026

	<---- Attributable to owners of the Company					---->
		<---- *Non-distributable*		---->	*Distributable*	
	Share capital RM'000	Employees' Share Grant Scheme reserve RM'000	Hedging reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 April 2025	**702,215**	**-**	**(790)**	**86,438**	**638,053**	**1,425,916**
Other comprehensive income/(expense) for the year						
- Cash flow hedge	-	-	470	-	-	470
- Foreign currency translation differences	-	-	-	(126,473)	-	(126,473)
Total other comprehensive income/(expense) for the year	**-**	**-**	**470**	**(126,473)**	**-**	**(126,003)**
Profit for the year	-	-	-	-	44,742	44,742
Total comprehensive income/(expense) for the year	**-**	**-**	**470**	**(126,473)**	**44,742**	**(81,261)**
Transactions with owners of the Company						
- Dividend to owners of the Company (Note 25)	-	-	-	-	(18,956)	(18,956)
	-	-	-	-	(18,956)	(18,956)
At 31 March 2026	**702,215**	**-**	**(320)**	**(40,035)**	**663,839**	**1,325,699**
	Note 12	<----	Note 13		---->	

The notes on pages 136 to 202 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2026

	<------------------ Attributable to owners of the Company			---------------->
		Non-distributable	*Distributable*	
	Share capital RM'000	**Employees' Share Grant Scheme reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2024	702,215	1,860	114,390	818,465
Profit for the year representing total comprehensive income for the year	-	-	2,332	2,332
Transactions with owners of the Company				
- Share-based payment transactions	-	(1,860)	-	(1,860)
- Dividend to owners of the Company (Note 25)	-	-	(22,341)	(22,341)
	-	(1,860)	(22,341)	(24,201)
At 31 March 2025/1 April 2025	**702,215**	**-**	**94,381**	**796,596**
Profit for the year representing total comprehensive income for the year	**-**	**-**	**60,168**	**60,168**
Transactions with owners of the Company				
- Dividend to owners of the Company (Note 25)	**-**	**-**	**(18,956)**	**(18,956)**
	-	**-**	**(18,956)**	**(18,956)**
At 31 March 2026	**702,215**	**-**	**135,593**	**837,808**
	Note 12	<---------------- Note 13	---------------->	

The notes on pages 136 to 202 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For The Year Ended 31 March 2026

		<---------------- Group ---------------->		<-------------- Company ------------->	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash flows from operating activities					
Profit before tax		**64,065**	115,419	**60,169**	3,092
Adjustments for:					
Property, plant and equipment					
- depreciation	2	**83,542**	86,073	**668**	534
- gain on disposal	21	**(45)**	(20)	**-**	-
- written off	21	**643**	325	**-**	76
Right-of-use assets					
- depreciation	3	**6,080**	7,138	**745**	744
- gain on modification	21	**(34)**	-	**-**	-
Intangible assets					
- amortisation	4	**11,521**	7,583	**408**	331
- written off	4	**1,208**	-	**-**	-
Amortisation of government grants	21	**(171)**	(212)	**-**	-
Fair value loss/(gain) on derivatives	21	**4,500**	(1,255)	**-**	-
Interest income		**(255)**	(534)	**(237)**	(2,315)
Interest expense		**8,241**	12,463	**-**	-
Accretion of interest on lease liabilities	20	**544**	609	**48**	77
Dividend income	19	**-**	-	**(61,382)**	(17,250)
Net (gain)/loss on impairment on					
- trade receivables	21	**(1,463)**	(200)	**-**	-
- contract assets	21	**(1,409)**	(263)	**-**	-
- amount due from a subsidiary	21	**-**	-	**-**	15,937
Impairment loss on investments in subsidiaries	21	**-**	-	**-**	1,538
Net reversal of provision for warranties and onerous contract	17	**(859)**	(184)	**-**	-
Operating profit before changes in working capital		**176,108**	226,942	**419**	2,764

STATEMENTS OF CASH FLOWS (Cont'd)

For The Year Ended 31 March 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Changes in working capital:					
Trade and other receivables		**12,753**	53,631	**11,285**	(1,521)
Inventories		**(7,903)**	(39,970)	**-**	-
Contract assets		**(58,395)**	(36,210)	**-**	-
Employee benefits		**424**	1,043	**-**	-
Trade and other payables		**10,600**	(16,366)	**(2,769)**	(1,915)
Contract liabilities		**(7,612)**	33,317	**-**	-
Cash generated from/(used in) operations		**125,975**	222,387	**8,935**	(672)
Dividends received		**-**	-	**61,382**	7,050
Income tax paid		**(27,849)**	(50,998)	**(556)**	(204)
Net cash from operating activities		**98,126**	171,389	**69,761**	6,174
Cash flows from investing activities					
Purchase of property, plant and equipment	A	**(100,460)**	(69,212)	**(941)**	(3,928)
Additions to intangible assets	4	**(2,619)**	(1,057)	**(1,872)**	(81)
Increase in investments in subsidiary	5	**-**	-	**(57,847)**	-
Net repayment of advances to subsidiaries		**-**	-	**11,383**	17,732
Interest received		**255**	534	**237**	2,315
Proceeds from disposals of property, plant and equipment		**134**	242	**-**	4
Net cash (used in)/from investing activities		**(102,690)**	(69,493)	**(49,040)**	16,042

STATEMENTS OF CASH FLOWS (Cont'd)

For The Year Ended 31 March 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Cash flows from financing activities					
Dividends paid	25	**(18,956)**	(22,341)	**(18,956)**	(22,341)
Interest paid		**(14,837)**	(15,943)	**(48)**	(77)
(Repayment)/Drawdown of term loans	B	**(34,064)**	94,974	**-**	-
Drawdown/(Repayment) of other borrowings	B	**79,191**	(139,473)	**-**	-
Payment of lease liabilities	B	**(5,609)**	(6,880)	**(744)**	(715)
Net cash from/(used in) financing activities		**5,725**	(89,663)	**(19,748)**	(23,133)
Net increase/(decrease) in cash and cash equivalents		**1,161**	12,233	**973**	(917)
Cash and cash equivalents at beginning of financial year		**27,982**	36,244	**1,812**	2,729
Effect of exchange rate fluctuations		**(4,534)**	(20,495)	**-**	-
Cash and cash equivalents at end of financial year	11	**24,609**	27,982	**2,785**	1,812

STATEMENTS OF CASH FLOWS (Cont'd)

For The Year Ended 31 March 2026

Cash outflows for leases as a lessee

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Included in net cash from operating activities:					
Payment relating to:					
- short-term leases	21	**3,241**	3,561	**111**	109
- leases of low-value assets	21	**137**	175	**15**	23
Included in net cash from/(used in) financing activities:					
- Payment relating to interest on lease liabilities	20	**544**	609	**48**	77
- Payment of lease liabilities	B	**5,609**	6,880	**744**	715
Total cash outflows for leases		**9,531**	11,225	**918**	924

NOTES

A. Purchase of plant and equipment

During the financial year, the Group and the Company acquired plant and equipment by way of the following :

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Acquired in cash	**100,460**	69,212	**941**	3,928
Decrease in other receivables in relation to purchase of plant and equipment	**4,261**	13,091	**-**	-
Increase/(Decrease) in amount due to vendor of plant and equipment	**1,503**	(1,371)	**-**	-
Total additions	**106,224**	80,932	**941**	3,928

STATEMENTS OF CASH FLOWS (Cont'd)

For The Year Ended 31 March 2026

NOTES (Cont'd)

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 April 2024 RM'000	Net changes from financing cash flows RM'000	Lease modification RM'000	Effect of movement in exchange rates RM'000	At 31 March 2025 RM'000
Group					
Revolving credit	271,681	(139,473)	-	-	132,208
Term loans	25,793	94,974	-	-	120,767
Lease liabilities	20,058	(6,880)	(559)	(1,120)	11,499
	317,532	(51,379)	(559)	(1,120)	264,474

	At 1 April 2025 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Lease modification RM'000	Effect of movement in exchange rates RM'000	At 31 March 2026 RM'000
Group						
Revolving credit and promissory notes	**132,208**	**79,191**	**-**	**-**	**(18,893)**	**192,506**
Term loans	**120,767**	**(34,064)**	**-**	**-**	**(7,748)**	**78,955**
Lease liabilities	**11,499**	**(5,609)**	**4,084**	**(648)**	**(1,041)**	**8,285**
	264,474	**39,518**	**4,084**	**(648)**	**(27,682)**	**279,746**

	At 1 April 2024 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	At 31 March 2025 /1 April 2025 RM'000	Net changes from financing cash flows RM'000	At 31 March 2026 RM'000
Company						
Lease liabilities	-	(715)	2,234	1,519	(744)	775

The notes on pages 136 to 202 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2026

SAM Engineering & Equipment (M) Berhad is a public limited liability company, incorporated and domiciled in Malaysia and 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

Plot 17, Hilir Sungai Keluang Tiga
Bayan Lepas Free Industrial Zone
Phase 4
11900 Penang

Registered office

Suite 18.05, MWE Plaza
No.8, Lebuh Farquhar
10200 Penang

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 principal activities of the Company are investment holding and provision of corporate management services. The principal activities of the subsidiaries are stated in Note 5 to the financial statements.

The immediate holding company is Singapore Aerospace Manufacturing Pte. Ltd. and the penultimate holding company is Accuron Technologies Limited. The ultimate holding company is Temasek Holdings (Private) Limited. All the above companies are incorporated in the Republic of Singapore.

These financial statements were authorised for issue by the Board of Directors on 23 June 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 MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company :

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11 :
  - ➢ Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - ➢ Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - ➢ Amendments to MFRS 9, *Financial Instruments*
  - ➢ Amendments to MFRS 10, *Consolidated Financial Statements*
  - ➢ Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency*

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company (Cont'd) :

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The initial application of the accounting standards, interpretations and amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following item, which is measured based on the measurement basis stated below :

Item	Measurement basis
Derivative financial instruments	Fair value

(c) 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 and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates 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 periods 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 3.2 - Right-of-use assets;
- Note 4 - Intangible assets; and
- Note 8.2 - Inventories.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment

	At 1 April 2025 RM'000	Additions RM'000	Borrowing costs capitalised at 6.49% per annum RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	Reclassification from intangible assets RM'000	Effect of movements in exchange rates RM'000	At 31 March 2026 RM'000
Group									
Cost									
2026									
Freehold land	**38,308**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,850)**	**34,458**
Buildings	**201,494**	**27,533**	**-**	**-**	**(267)**	**12,132**	**-**	**(17,587)**	**223,305**
Electrical installation and fittings	**81,639**	**29,161**	**-**	**-**	**(1,757)**	**3,979**	**-**	**(6,814)**	**106,208**
Factory equipment	**56,605**	**3,301**	**-**	**(16)**	**(44)**	**537**	**-**	**(4,678)**	**55,705**
Motor vehicles	**3,251**	**309**	**-**	**-**	**-**	**-**	**-**	**(237)**	**3,323**
Office equipment, furniture and fittings	**49,853**	**4,841**	**-**	**(234)**	**(5,882)**	**4**	**531**	**(3,828)**	**45,285**
Plant and machinery	**970,318**	**13,004**	**-**	**(1,507)**	**(53,510)**	**36,348**	**-**	**(81,580)**	**883,073**
Capital expenditure-in-progress	**78,908**	**28,075**	**6,052**	**-**	**-**	**(53,000)**	**-**	**(7,508)**	**52,527**
	1,480,376	**106,224**	**6,052**	**(1,757)**	**(61,460)**	**-**	**531**	**(126,082)**	**1,403,884**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

	At 1 April 2024 RM'000	Additions RM'000	Borrowing costs capitalised at 6.93% per annum RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	Reclassification from intangible assets RM'000	Effect of movements in exchange rates RM'000	At 31 March 2025 RM'000
Group									
Cost									
2025									
Freehold land	40,833	-	-	-	-	-	-	(2,525)	38,308
Buildings	212,739	102	-	-	-	279	-	(11,626)	201,494
Electrical installation and fittings	67,477	14,215	-	-	(228)	3,785	-	(3,610)	81,639
Factory equipment	49,367	6,796	-	(9)	(30)	3,008	-	(2,527)	56,605
Motor vehicles	3,472	-	-	(62)	-	-	-	(159)	3,251
Office equipment, furniture and fittings	50,191	3,576	-	-	(157)	-	(1,356)	(2,401)	49,853
Plant and machinery	984,309	11,965	-	(3,891)	(11,060)	41,073	-	(52,078)	970,318
Capital expenditure-in-progress	84,608	44,278	2,871	-	-	(48,145)	-	(4,704)	78,908
	1,492,996	80,932	2,871	(3,962)	(11,475)	-	(1,356)	(79,630)	1,480,376

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

	At 1 April 2025 RM'000	Depreciation for the year RM'000	Disposals RM'000	Written off RM'000	Reclassification from intangible assets RM'000	Effect of movements in exchange rates RM'000	At 31 March 2026 Accumulated depreciation RM'000	At 31 March 2026 Accumulated impairment RM'000	Total at 31 March 2026 RM'000
Group									
Depreciation and impairment loss									
2026									
Freehold land	-	-	-	-	-	-	-	-	-
Buildings	60,489	6,049	-	(8)	-	(5,587)	60,943	-	60,943
Electrical installation and fittings	19,517	3,500	-	(1,757)	-	(1,667)	19,593	-	19,593
Factory equipment	36,376	4,615	(16)	(36)	-	(3,033)	37,906	-	37,906
Motor vehicles	2,671	234	-	-	-	(190)	2,715	-	2,715
Office equipment, furniture and fittings	42,938	3,541	(190)	(5,878)	(96)	(3,303)	37,012	-	37,012
Plant and machinery	681,808	65,603	(1,462)	(53,138)	-	(57,493)	635,318	-	635,318
	843,799	83,542	(1,668)	(60,817)	(96)	(71,273)	793,487	-	793,487

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

	At 1 April 2024 RM'000	Depreciation for the year RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	Reclassification to intangible assets RM'000	Effect of movements in exchange rates RM'000	At 31 March 2025 Accumulated depreciation RM'000	At 31 March 2025 Accumulated impairment RM'000	Total at 31 March 2025 RM'000
Group										
Depreciation and impairment loss										
2025										
Freehold land	-	-	-	-	-	-	-	-	-	-
Buildings	57,787	6,004	-	-	-	-	(3,302)	60,489	-	60,489
Electrical installation and fittings	17,357	2,947	-	(157)	279	-	(909)	19,363	154	19,517
Factory equipment	33,801	4,364	(4)	(21)	-	-	(1,764)	36,318	58	36,376
Motor vehicles	2,645	206	(62)	-	-	-	(118)	2,671	-	2,671
Office equipment, furniture and fittings	41,555	3,984	-	(147)	-	(429)	(2,025)	42,896	42	42,938
Plant and machinery	663,379	68,568	(3,674)	(10,825)	(279)	-	(35,361)	681,808	-	681,808
	816,524	86,073	(3,740)	(11,150)	-	(429)	(43,479)	843,545	254	843,799

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

	At 31 March 2026 RM'000	At 31 March 2025 RM'000	At 1 April 2024 RM'000
Group			
Carrying amounts			
Freehold land	**34,458**	38,308	40,833
Buildings	**162,362**	141,005	154,952
Electrical installation and fittings	**86,615**	62,122	50,120
Factory equipment	**17,799**	20,229	15,566
Motor vehicles	**608**	580	827
Office equipment, furniture and fittings	**8,273**	6,915	8,636
Plant and machinery	**247,755**	288,510	320,930
Capital expenditure-in-progress	**52,527**	78,908	84,608
	610,397	636,577	676,472

	At 1 April 2025 RM'000	Additions RM'000	Disposal RM'000	Written off RM'000	At 31 March 2026 RM'000
Company					
Cost					
Motor vehicles	**523**	**309**	**-**	**-**	**832**
Office equipment, furniture and fittings	**4,814**	**596**	**-**	**(332)**	**5,078**
Electrical installation and fittings	**4,168**	**36**	**-**	**-**	**4,204**
Factory equipment	**13**	**-**	**-**	**-**	**13**
	9,518	**941**	**-**	**(332)**	**10,127**

	At 1 April 2024 RM'000	Additions RM'000	Disposal RM'000	Written off RM'000	At 31 March 2025 RM'000
Motor vehicles	523	-	-	-	523
Office equipment, furniture and fittings	4,338	600	(8)	(116)	4,814
Electrical installation and fittings	1,068	3,328	-	(228)	4,168
Factory equipment	13	-	-	-	13
	5,942	3,928	(8)	(344)	9,518

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

	At 1 April 2025 RM'000	Depreciation for the year RM'000	Disposal RM'000	Written off RM'000	At 31 March 2026 RM'000
Company					
Depreciation					
Motor vehicles	**522**	**43**	**-**	**-**	**565**
Office equipment, furniture and fittings	**3,964**	**488**	**-**	**(332)**	**4,120**
Electrical installation and fittings	**686**	**137**	**-**	**-**	**823**
Factory equipment	**13**	**-**	**-**	**-**	**13**
	5,185	**668**	**-**	**(332)**	**5,521**

	At 1 April 2024 RM'000	Depreciation for the year RM'000	Disposal RM'000	Written off RM'000	At 31 March 2025 RM'000
Motor vehicles	520	2	-	-	522
Office equipment, furniture and fittings	3,586	493	(4)	(111)	3,964
Electrical installation and fittings	804	39	-	(157)	686
Factory equipment	13	-	-	-	13
	4,923	534	(4)	(268)	5,185

	At 31 March 2026 RM'000	At 31 March 2025 RM'000	At 1 April 2024 RM'000
Carrying amounts			
Motor vehicles	**267**	1	3
Office equipment, furniture and fittings	**958**	850	752
Electrical installation and fittings	**3,381**	3,482	264
	4,606	4,333	1,019

2.1 Security

Land and buildings with a total carrying amount of RM83,183,000 (2025 : RM92,673,000) have been charged to the bank as security for credit facilities granted to the Group as disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

2. Property, plant and equipment (Cont'd)

2.2 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows :

	Years
Buildings	30 - 50
Electrical installation and fittings	3 - 50
Factory equipment	5 - 10
Motor vehicles	5
Office equipment, furniture and fittings	3 - 10
Plant and machinery	5 - 10

3. Right-of-use assets

	Leasehold land RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
Group				
At 1 April 2024	27,906	17,263	52	45,221
Depreciation	(622)	(6,484)	(32)	(7,138)
Lease modification	-	(559)	-	(559)
Effect of movements in exchange rates	(1,693)	(843)	(3)	(2,539)
At 31 March 2025	25,591	9,377	17	34,985

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

3. Right-of-use assets (Cont'd)

	Leasehold land RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
Group				
At 1 April 2025	**25,591**	**9,377**	**17**	**34,985**
Addition	**-**	**4,084**	**-**	**4,084**
Depreciation	**(817)**	**(5,246)**	**(17)**	**(6,080)**
Lease modification	**-**	**(614)**	**-**	**(614)**
Effect of movements in exchange rates	**(2,273)**	**(690)**	**-**	**(2,963)**
At 31 March 2026	**22,501**	**6,911**	**-**	**29,412**

	Building RM'000
Company	
At 1 April 2024	-
Addition	2,234
Depreciation	(744)
At 31 March 2025/1 April 2025	**1,490**
Depreciation	**(745)**
At 31 March 2026	**745**

The Group leases land, factory buildings and office equipment. The leases for land is for a period of 40 and 60 years, whereas the leases for factory buildings run between 3 to 10 years and office equipment for 5 years. Lease payments for factory buildings are subject to increase every 2 to 3 years to reflect current market rentals.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

3. Right-of-use assets (Cont'd)

3.1 Extension options

One of the leases of factory buildings contains extension option exercisable by the Group 3 years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000	Historical rate of exercise of extension options %
2026			
Group			
Buildings	-	-	-
2025			
Group			
Buildings	2,086	-	100

3.2 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

3. Right-of-use assets (Cont'd)

3.3 Restriction imposed by lease

The lease contracts for certain buildings and office equipment prohibits the Group to sublease the leased assets. The Group is allowed to sublease the land with the approval from local authorities.

3.4 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(c) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

4. Intangible assets

	Goodwill RM'000	Backlog orders RM'000	Customer relationship RM'000	Development expenditure RM'000	Computer software RM'000	Total RM'000
Group						
Cost						
At 1 April 2024	42,586	22,540	10,611	55,911	19,060	150,708
Additions	-	-	-	-	1,057	1,057
Reclassification from property, plant and equipment	-	-	-	-	1,356	1,356
Effect of movements in exchange rates	1,708	(1,511)	(729)	(3,113)	(820)	(4,465)
At 31 March 2025/1 April 2025	**44,294**	**21,029**	**9,882**	**52,798**	**20,653**	**148,656**
Additions	**-**	**-**	**-**	**-**	**2,619**	**2,619**
Written off	**-**	**-**	**-**	**(1,208)**	**(2,683)**	**(3,891)**
Reclassification to property, plant and equipment	**-**	**-**	**-**	**-**	**(531)**	**(531)**
Effect of movements in exchange rates	**(3,958)**	**(1,969)**	**(910)**	**(4,736)**	**(1,388)**	**(12,961)**
At 31 March 2026	**40,336**	**19,060**	**8,972**	**46,854**	**18,670**	**133,892**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

4. Intangible assets (Cont'd)

	Goodwill RM'000	Backlog orders RM'000	Customer relationship RM'000	Development expenditure RM'000	Computer software RM'000	Total RM'000
Group						
Amortisation and impairment loss						
At 1 April 2024						
Accumulated amortisation	-	-	-	30,411	14,473	44,884
Accumulated impairment loss	-	-	-	-	254	254
	-	-	-	30,411	14,727	45,138
Amortisation for the year	-	1,367	402	3,811	2,003	7,583
Reclassification from property, plant and equipment	-	-	-	-	429	429
Effect of movements in exchange rates	-	-	-	(1,760)	(674)	(2,434)
At 31 March 2025/1 April 2025						
Accumulated amortisation	**-**	**1,367**	**402**	**32,462**	**16,485**	**50,716**
	-	**1,367**	**402**	**32,462**	**16,485**	**50,716**
Amortisation for the year	**-**	**4,607**	**1,396**	**3,478**	**2,040**	**11,521**
Written off	**-**	**-**	**-**	**-**	**(2,683)**	**(2,683)**
Reclassification to property, plant and equipment	**-**	**-**	**-**	**-**	**96**	**96**
Effect of movements in exchange rates	**-**	**(342)**	**(102)**	**(3,021)**	**(1,212)**	**(4,677)**
At 31 March 2026						
Accumulated amortisation	**-**	**5,632**	**1,696**	**32,919**	**14,726**	**54,973**
	-	**5,632**	**1,696**	**32,919**	**14,726**	**54,973**
Carrying amounts						
At 1 April 2024	42,586	22,540	10,611	25,500	4,333	105,570
At 31 March 2025/1 April 2025	44,294	19,662	9,480	20,336	4,168	97,940
At 31 March 2026	**40,336**	**13,428**	**7,276**	**13,935**	**3,944**	**78,919**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

4. Intangible assets (Cont'd)

	Computer software RM'000
Company	
Cost	
At 1 April 2024	4,478
Addition	81
At 31 March 2025/1 April 2025	**4,559**
Addition	**1,872**
At 31 March 2026	**6,431**
Amortisation	
At 1 April 2024	3,370
Amortisation for the year	331
At 31 March 2025/1 April 2025	**3,701**
Amortisation for the year	**408**
At 31 March 2026	**4,109**
Carrying amounts	
At 1 April 2024	1,108
At 31 March 2025	858
At 31 March 2026	**2,322**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

4. Intangible assets (Cont'd)

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the following cash-generating unit ("CGU") at which the goodwill is monitored for internal management purposes.

	2026 RM'000	2025 RM'000
Aerospace segment	**40,336**	44,294

The recoverable amount of the CGU was assessed based on value in use which was determined by discounting the future cash flows expected to be generated from the continuing use of the units and was based on the following key assumptions :

- Cash flows were projected based on 5-year plan and an estimated long-term growth rate.
- The anticipated annual revenue growth included in the cash flow projection was between 2% and 26% (2025 : 2% and 45%) for the financial years 2027 to 2031 (2025 : 2026 to 2030) based on secured orders and historical revenue growth.
- Pre-tax discount rate of approximately 14% (2025 : 14%) were applied in determining the recoverable amount of the units. The discount rate is estimated based on an industry weighted average cost of capital.

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

The estimated recoverable amount of the CGU exceeded its carrying amount and the Directors consider that it is not reasonably possible for the key assumptions to change so significantly to cause an impairment of goodwill.

4.1 Material accounting policy information

(a) Recognition and measurement

Intangible assets other than goodwill, that are acquired by the Group which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows :

• Computer software	2 - 6 years
• Development expenditure	5 - 10 years
• Backlog orders	5 years
• Customer relationship	7 - 8 years

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

5. Investments in subsidiaries - Company

	2026 RM'000	2025 RM'000
Cost of investments	**874,518**	816,671
Less: Impairment loss	**(41,494)**	(41,494)
	833,024	775,177

In the previous financial year, the Company recorded an impairment of RM1,538,000 on its investment cost in subsidiaries after having assessed the recoverable amount of the said subsidiaries of RM Nil. The recoverable amount of the said subsidiaries was estimated based on fair value less costs of disposal method. The impairment loss was recognised in other operating expenses in the statements of profit or loss and other comprehensive income.

During the financial year, the Company increased its investments in SAM Precision (Thailand) Limited for a total cash consideration of USD14,259,000 (equivalent to RM57,847,000). In the previous financial year, the Company increased its investments in Aviatron (M) Sdn. Bhd. for a total consideration of RM150,000,000 by way of capitalisation of the amount due to the Company.

Details of the subsidiaries are as follows :

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2026 %	2025 %	Principal activities
Avitron Private Limited [2]	Republic of Singapore	**100**	100	Manufacture and assembly of aircraft equipment, spares, components and precision engineering parts
Aviatron (M) Sdn. Bhd.	Malaysia	**100**	100	Manufacture and assembly of aircraft equipment, spares, components and precision engineering parts
Meerkat Precision Sdn. Bhd.	Malaysia	**100**	100	Manufacture of aircraft and other related equipment parts, spares, components and precision engineering parts, precision and engineering components
SAM Meerkat (M) Sdn. Bhd.	Malaysia	**100**	100	Design and assembly of modular or complete machine and equipment
SAM Precision (M) Sdn. Bhd.	Malaysia	**100**	100	Fabrication of precision tools and machinery parts and manufacture of aircraft and other equipment parts, spares, components and precision engineering parts
SAM Precision (Thailand) Limited [1]	Thailand	**100**	100	Manufacture of dies, jigs and parts and cutting tools for disk drives, electronics, semi-conductor and other industries and assembly of modular or complete machine and equipment, manufacture and assembly of aircraft equipment, spares, components and precision engineering parts

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

5. Investments in subsidiaries - Company (Cont'd)

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2026 %	2025 %	Principal activities
SAM Tooling Technology Sdn. Bhd.	Malaysia	**100**	100	Design, development and manufacture of trim and form dies and suspension tooling for hard disk drive parts
SAM Technologies (M) Sdn. Bhd.	Malaysia	**100**	100	Dormant
Meerkat Integrator Sdn. Bhd. (3) (4)	Malaysia	**-**	100	Struck off
LKT Automation Sdn. Bhd.	Malaysia	**100**	100	Dormant
LKT Integration Sdn. Bhd.	Malaysia	**100**	100	Dormant
LKT Technology Sdn. Bhd.	Malaysia	**100**	100	Dormant
SAM Engineering & Equipment (USA), Inc (3)	United States of America	**100**	100	Not yet commence operation
Held by SPM				
Meerkat Technology Pte. Ltd. (3) (5)	Republic of Singapore	**100**	100	Dormant

Notes :

(1) Audited by member firms of KPMG International.
(2) Not audited by member firms of KPMG International.
(3) Not required to be audited by local law or legislation.
(4) Meerkat Integrator Sdn. Bhd., a dormant wholly owned subsidiary, was struck off on 5 May 2025. This has no material impact on the net tangible assets and earnings per share of the Group and Meerkat Integrator Sdn. Bhd. has ceased to be subsidiary of the Group.
(5) Meerkat Technology Pte. Ltd., a dormant wholly owned subsidiary, has filed for striking off on 6 May 2026. This has no material impact on the net tangible assets and earnings per share of the Group.

5.1 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

6. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following :

	Assets		Liabilities		Net	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Group						
Property, plant and equipment	**1,348**	2,259	**(23,083)**	(23,091)	**(21,735)**	(20,832)
Intangible assets	**-**	-	**(4,966)**	(6,992)	**(4,966)**	(6,992)
Right-of-use assets	**-**	-	**(1,984)**	(3,873)	**(1,984)**	(3,873)
Lease liabilities	**245**	1,954	**-**	-	**245**	1,954
Provisions	**5,355**	13,383	**-**	-	**5,355**	13,383
Tax losses carry-forward	**33,185**	19,112	**-**	-	**33,185**	19,112
Deferred tax assets/(liabilities)	**40,133**	36,708	**(30,033)**	(33,956)	**10,100**	2,752
Set-off of tax	**(8,403)**	(4,886)	**8,403**	4,886	**-**	-
Net deferred tax assets/(liabilities)	**31,730**	31,822	**(21,630)**	(29,070)	**10,100**	2,752

Deferred tax assets and liabilities are offset when the entity has a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

6. Deferred tax assets/(liabilities) (Cont'd)

Movements in temporary differences during the year

	At 1 April 2024 RM'000	Recognised in profit or loss (Note 23) RM'000	Effect of movement in exchange rates RM'000	At 31 March 2025 /1 April 2025 RM'000	Recognised in profit or loss (Note 23) RM'000	Effect of movement in exchange rates RM'000	At 31 March 2026 RM'000
Group							
Deferred tax assets/(liabilities)							
Property, plant and equipment	(26,409)	4,242	1,335	**(20,832)**	**(2,620)**	**1,717**	**(21,735)**
Intangible assets	(7,956)	1,062	(98)	**(6,992)**	**1,985**	**41**	**(4,966)**
Right-of-use assets	(5,170)	1,188	109	**(3,873)**	**1,747**	**142**	**(1,984)**
Lease liabilities	3,127	(1,000)	(173)	**1,954**	**(1,534)**	**(175)**	**245**
Provisions	12,399	1,545	(561)	**13,383**	**(6,790)**	**(1,238)**	**5,355**
Tax losses carry-forward	13,753	6,120	(761)	**19,112**	**15,781**	**(1,708)**	**33,185**
	(10,256)	13,157	(149)	**2,752**	**8,569**	**(1,221)**	**10,100**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

6. Deferred tax assets/(liabilities) (Cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross) :

	2026 RM'000	2025 RM'000
Group		
Tax losses carry-forward	**113,423**	79,030
Capital allowances carry-forward	**8,460**	7,647
Provisions and others	**4,930**	7,294
	126,813	93,971
Company		
Tax losses carry-forward	**11,422**	10,974
Capital allowances carry-forward	**1,226**	413
Provisions and others	**4,930**	7,294
	17,578	18,681

As stipulated in the Finance Act 2021, the tax losses carry-forward as at 31 December 2018 and thereafter will only be available for carry forward up to a period of 10 consecutive years. Any amounts not utilised upon expiry will be disregarded.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

6. Deferred tax assets/(liabilities) (Cont'd)

Unrecognised deferred tax assets (Cont'd)

The tax losses carry-forward will expire in the following year of assessments ("YA") under the current tax legislation of Malaysia as shown below :

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Expire in				
- YA2029	**42,180**	42,180	**2,807**	2,807
- YA2030	**2,022**	2,022	**2,022**	2,022
- YA2031	**2,159**	2,159	**2,159**	2,159
- YA2032	**2,346**	2,346	**2,346**	2,346
- YA2034	**1,640**	1,640	**1,640**	1,640
- YA2036	**448**	-	**448**	-
	50,795	50,347	**11,422**	10,974

The capital allowances carry-forward and the tax losses carry-forward in certain foreign jurisdictions do not expire under the current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

6.1 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

7. Trade and other receivables

	Note	2026 RM'000	2025 RM'000
Group			
Non-current			
Other receivables	7.1	**10,198**	14,459
Current			
Trade			
Amount due from immediate holding company	7.2	**9,925**	1,859
Trade receivables		**291,809**	346,254
		301,734	348,113
Non-trade			
Amount due from immediate holding company	7.2	**1,582**	292
Other receivables	7.1	**38,193**	30,464
Deposits		**2,737**	3,225
Prepayments		**11,412**	25,381
		53,924	59,362
		355,658	407,475
		365,856	421,934

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

7. Trade and other receivables (Cont'd)

	Note	2026 RM'000	2025 RM'000
Company			
Trade			
Amount due from:			
- immediate holding company	7.2	**63**	93
- subsidiaries	7.2	**1,730**	3,347
		1,793	3,440
Non-trade			
Amount due from:			
- immediate holding company	7.2	**1,085**	3
- subsidiaries	7.2	**130**	22,011
Other receivables	7.1	**106**	216
Deposits		**272**	273
Prepayments		**1,287**	1,398
		2,880	23,901
		4,673	27,341

7.1 Other receivables

The non-current other receivables of the Group are advances paid to suppliers by the subsidiaries for the purchase of property, plant and equipment of RM10,198,000 (2025 : RM14,459,000).

Included in current other receivables of the Group are value-added tax receivables from tax authorities of subsidiaries of RM18,293,000 (2025 : RM13,695,000) and advance payments made for trade purchases of RM15,550,000 (2025 : RM11,391,000).

The current other receivables of the Company are advance payments made for trade purchases.

7.2 Amounts due from immediate holding company and subsidiaries

The trade amounts due from immediate holding company and subsidiaries are subject to normal trade terms.

Included in non-trade amount due from subsidiaries is Nil (2025 : RM11,383,436) which earns interest at rates Nil (2025 : 3.85%) per annum. Other than as disclosed, the non-trade amounts due from immediate holding company and subsidiaries are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

8. Inventories - Group

	Note	2026 RM'000	2025 RM'000
Raw materials		**371,803**	387,212
Work-in-progress		**32,896**	47,792
Manufactured inventories		**1,944**	3,926
		406,643	438,930
Recognised in profit or loss:			
Inventories recognised as cost of sales		**1,260,464**	1,251,509
Write down to net realisable value included in cost of sales		**15,500**	8,642
Reversal of write-down included in cost of sales	8.1	**(1,549)**	-

8.1 Write down

During the financial year, following a change in estimate, RM1,549,000 of the write-down was reversed.

8.2 Significant judgements and assumptions

The Directors review inventories for obsolescence and decline in net realisable value to below cost. Such review involves judgements and estimates.

In determining the amount of inventories to be written down or reversed, the Directors took into consideration the age of the inventories, likelihood of future consumption, rework and customer acceptance. Possible changes to these estimates could result in a revision to the carrying amount of the Group's inventories and profit or loss.

8.3 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first out method.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

9. Contract assets/(liabilities) - Group

	2026 RM'000	2025 RM'000
Contract assets	**348,562**	317,036
Contract liabilities	**26,321**	37,262

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date for the manufacture of aircraft components, design and assembly of modular for equipment and related components and precision engineering parts. Typically, the amounts will be billed within 12 months and are expected to be collected based on the normal credit period extended to customers.

The contract liabilities relate to advance consideration received from customers in both the aerospace and equipment segments where revenue is recognised over time.

Significant changes to contract assets and contract liabilities balances

	2026 RM'000	2025 RM'000
Contract liabilities at the beginning of the period recognised as revenue	**11,654**	-
Contract liabilities at the beginning of the period not recognised as revenue due to change in time frame	**22,608**	3,945
Contract assets at beginning of the period not transferred to trade receivables due to change in time frame	**64,019**	27,525

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

10. Derivative financial assets/(liabilities) - Group

	Nominal value RM'000	Current assets RM'000	Current liabilities RM'000
2026			
Derivatives used for hedging			
- Forward exchange contracts	**159,456**	**404**	**(3,692)**
2025			
Derivatives used for hedging			
- Forward exchange contracts	164,365	1,115	(373)

Forward exchange contracts are used to manage foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currencies of Group entities. The forward exchange contracts have maturities of less than one year after the end of the reporting period.

11. Cash and cash equivalents

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fixed deposit placed with a licensed bank	**4,848**	-	**-**	-
Cash and bank balances	**19,761**	27,982	**2,785**	1,812
	24,609	27,982	**2,785**	1,812

12. Share capital - Group/Company

	2026		2025	
	Amount RM'000	Number of shares ('000)	Amount RM'000	Number of shares ('000)
Issued and fully paid ordinary shares with no par value classified as equity instruments	**702,215**	**676,987**	702,215	676,987

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

13. Reserves

	Note	2026 RM'000	2025 RM'000
Group			
Non-distributable			
Hedging reserve	13.1	**(320)**	(790)
Translation reserve	13.2	**(40,035)**	86,438
		(40,355)	85,648
Distributable			
Retained earnings		**663,839**	638,053
		623,484	723,701
Company			
Distributable			
Retained earnings		**135,593**	94,381

The movements in the reserves are disclosed in the statements of changes in equity.

13.1 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

13.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and financial statements of certain subsidiaries from functional currency, U.S. Dollar ("USD") to the presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

14. Loans and borrowings - Group

	2026 RM'000	2025 RM'000
Non-current		
Secured		
Term loans - variable rate	**47,935**	86,703
Current		
Secured		
Term loans - variable rate	**31,020**	34,064
Promissory notes	**15,352**	-
Revolving credit	**102,818**	51,907
	149,190	85,971
Unsecured		
Revolving credit	**74,336**	80,301
	223,526	166,272
	271,461	252,975

Certain loans and borrowings of the Group are granted with corporate guarantee given by the Company and are secured by legal charges over land and buildings as disclosed in Note 2.1 to the financial statements.

15. Employee benefits - Group

Retirement benefits

	Group	
	2026 RM'000	2025 RM'000
Net defined benefit liability	**1,374**	1,043

The plan entitles a retired employee of a subsidiary to receive legal severance benefits of certain number of months of final salary and long service award depending on number of years of service that the employee has provided.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

15. Employee benefits - Group (Cont'd)

Retirement benefits (Cont'd)

Movement in net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components :

	Defined benefit obligation	
	2026 RM'000	**2025 RM'000**
Balance at 1 April	**1,043**	-
Included in profit or loss		
Current service cost	**395**	1,025
Interest cost	**35**	18
Benefits paid	**(6)**	-
Effect of movements in exchange rate	**(93)**	-
Balance as at 31 March	**1,374**	1,043

Defined benefit obligation

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages) :

	Group	
	2026	**2025**
Discount rate		
- Retirement age at 55 years old	**2.21%**	2.21%
- Retirement age at 60 years old	**2.47%**	2.47%
Turnover rate		
- Employee age between 20 to 29 years	**25.00%**	25.00%
- Employee age between 30 to 39 years	**21.00%**	21.00%
- Employee age between 40 to 49 years	**18.00%**	18.00%
- Employee age of 50 years onwards	**-**	-
Future salary growth	**6.69%**	6.69%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at age 55 is 20 and 26 (2025 : 20 and 26) and at age 60 is 15 and 21 (2025 : 15 and 21) for males and females respectively at the end of the reporting date.

At 31 March 2026, the weighted-average duration of the defined benefit obligation for retirement age at 55 and 60 years old was 9 years and 16 years respectively (2025 : 9 years and 16 years).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

15. Employee benefits - Group (Cont'd)

Retirement benefits (Cont'd)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group			
	2026		2025	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Defined benefit obligation				
Discount rate (0.5% movement)	**(50)**	**96**	(51)	65
Discount rate (1.0% movement)	**(116)**	**177**	(104)	128
Future salary growth (0.5% movement)	**97**	**(52)**	60	(48)
Future salary growth (1.0% movement)	**179**	**(120)**	119	(98)
Turnover rate (0.5% movement)	**(10)**	**51**	(17)	27
Turnover rate (1.0% movement)	**(38)**	**84**	(38)	50

Although the analysis does not account to the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

16. Deferred income - Group

	2026 RM'000	2025 RM'000
Non-current		
Government grants	**110**	228
Current		
Government grants	**97**	181
	207	409

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

16. Deferred income - Group (Cont'd)

Government grants

The Group received government grants for the purchase of plant and machinery. The grants are amortised on a systematic basis over the useful life of the plant and machinery.

During the financial year, RM171,000 (2025 : RM212,000) was amortised and recognised as other operating income in profit or loss.

16.1 Material accounting policy information

The Group has elected to present government grants related to assets as deferred income.

17. Provisions - Group

	Provision for warranties RM'000	Provision for onerous contracts RM'000	Total RM'000
At 1 April 2024	8,025	76	8,101
Net reversal to profit or loss	(112)	(72)	(184)
Effect of movements in exchange rates	(441)	(4)	(445)
At 31 March 2025/1 April 2025	**7,472**	**-**	**7,472**
Net reversal to profit or loss	**(859)**	**-**	**(859)**
Effect of movements in exchange rates	**(645)**	**-**	**(645)**
At 31 March 2026	**5,968**	**-**	**5,968**

Warranties

Provision for warranties represent estimated liabilities for defects arising from products sold under warranty. The provision is based on management's estimate made from historical warranty data associated with the products and judgement on the probability of a defect arising from products sold.

Onerous contracts

A provision for onerous contracts was recognised when the costs of meeting the obligations under the contract exceeded the economic benefits expected to be derived. The provision was measured at the present value of the expected costs required to fulfil the requirements of the contract in excess of the contracted revenue.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

18. Trade and other payables

	Note	2026 RM'000	2025 RM'000
Group			
Non-current			
Accrued expenses	18.1	**3,078**	7,842
Current			
Trade			
Trade payables		**158,628**	106,749
Trade accruals		**11,340**	32,710
		169,968	139,459
Non-trade			
Amount due to immediate holding company	18.2	**161**	1,807
Amount due to a related company	18.2	**48**	-
Other payables	18.3	**6,183**	8,875
Accrued expenses	18.1	**51,146**	81,812
		57,538	92,494
		227,506	231,953
Company			
Non-current			
Accrued expenses	18.1	**996**	2,607
Current			
Non-trade			
Amount due to:			
- immediate holding company	18.2	**-**	804
- subsidiaries	18.2	**268**	564
Other payables		**1,117**	1,081
Accrued expenses	18.1	**7,191**	7,285
		8,576	9,734

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

18. Trade and other payables (Cont'd)

18.1 Accrued expenses

Non-current

The non-current accrued expenses of the Group and the Company consist of long-term incentive plan payable to the employees over two years.

Current

Included in the current accrued expenses of the Group and the Company is amount of RM1,823,000 (2025 : RM5,682,000) and RM1,169,000 (2025 : RM2,411,000) respectively representing long-term incentive plan payable to the employees within a year.

18.2 Amounts due to immediate holding company, a related company and subsidiaries

The non-trade amounts due to immediate holding company, a related company and subsidiaries are unsecured, interest-free and repayable on demand.

18.3 Other payables - Group

Included in other payables is RM1,503,000 (2025 : RM Nil) payable for the purchase of plant and equipment.

19. Revenue

	2026 RM'000	2025 RM'000
Group		
Revenue from contracts with customers	**1,440,671**	1,480,549
Company		
Revenue from contracts with customers		
- Management fee	**35,176**	34,620
Other revenue		
- Dividend income from subsidiaries	**61,382**	17,250
- Interest income	**237**	2,315
	96,795	54,185

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

19. Revenue (Cont'd)

19.1 Disaggregation of revenue

	Aerospace		Equipment		Total	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Group						
Primary geographical markets						
Malaysia	**1,759**	764	**94,780**	88,932	**96,539**	89,696
Asia (excluding Malaysia)	**8,660**	253	**678,202**	777,900	**686,862**	778,153
North America	**424,665**	433,542	**119,006**	86,960	**543,671**	520,502
Latin America	**47,991**	32,913	**5**	-	**47,996**	32,913
Europe	**62,305**	56,744	**3,298**	2,541	**65,603**	59,285
	545,380	524,216	**895,291**	956,333	**1,440,671**	1,480,549
Major products and service lines						
Manufacture of aircraft components, other aircraft related equipment parts, spares and precision engineering parts	**536,007**	523,982	**-**	-	**536,007**	523,982
Sale of raw materials	**8,947**	-	**-**	-	**8,947**	-
Design and assembly of modular for equipment; manufacture of components, spares and precision engineering parts for modular or complete machine and equipment	**-**	-	**878,892**	940,927	**878,892**	940,927
Design, development and manufacture of trim and form dies, jigs and suspension tooling	**-**	-	**15,699**	14,986	**15,699**	14,986
Management services	**426**	234	**700**	420	**1,126**	654
	545,380	524,216	**895,291**	956,333	**1,440,671**	1,480,549

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

19. Revenue (Cont'd)

19.1 Disaggregation of revenue (Cont'd)

	Aerospace		Equipment		Total	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Group						
Timing and recognition						
At a point in time	**8,947**	-	**415,151**	403,869	**424,098**	403,869
Over time	**536,433**	524,216	**480,140**	552,464	**1,016,573**	1,076,680
Total revenue from contracts with customers	**545,380**	524,216	**895,291**	956,333	**1,440,671**	1,480,549

	2026 RM'000	**2025 RM'000**
Company		
Primary geographical markets		
Malaysia	**28,423**	29,534
Asia (excluding Malaysia)	**6,753**	5,086
Total revenue from contracts with customers	**35,176**	34,620
Major service line and timing of recognition		
Management fee recognised over time	**35,176**	34,620

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

19. Revenue (Cont'd)

19.2 Nature of goods and services

The following information reflects the typical transactions of the Group :

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Manufacture of aircraft components, other aircraft related equipment parts, spares and precision engineering parts	Revenue is recognised over time as costs are incurred. Control of goods are transferred over time as the goods have no alternative use and there is an enforceable right to payment for performance completed to date.	Credit period within the industry standard.	Discounts may be offered for certain contracts determined on a case-to-case basis.	Returns are only applicable for products that do not meet customer's specifications.	Product warranties are assurance type warranty and do not form a separate performance obligation.
Sale of raw materials	Revenue is recognised at a point in time when the raw materials are delivered and accepted by the customers.	Credit period within the industry standard.	Not applicable.	Returns are only applicable for products that do not meet customer's specifications.	Not applicable.
Design and assembly of modular for equipment; manufacture of components, spares and precision engineering parts for modular or complete machine and equipment	Certain revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use criteria and the Group has rights to payment for work performed. Other than the above, revenue is recognised at point in time when the machine are delivered and accepted by the customers.	Credit period within the industry standard.	Not applicable.	Returns are only applicable for products that do not meet customer's specifications.	Product warranties are assurance type warranty and do not form a separate performance obligation.
Design, development and manufacture of trim and form dies, jigs and suspension tooling	Revenue is recognised at a point in time when the products or parts are delivered and accepted by the customers.	Credit period within the industry standard.	Not applicable.	Returns only applicable for products that do not meet customer's specifications.	Not applicable.
Management services	Revenue is recognised over time when the service is rendered.	Credit period within the industry standard.	Not applicable.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

19. Revenue (Cont'd)

19.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	2027 RM'000	2028 RM'000	2029 RM'000	2030 RM'000	2031 RM'000	Total RM'000
Group						
2026						
Manufacture of aircraft components, other aircraft related equipment parts, spares and precision engineering parts	21,421	85,629	85,465	85,465	64,099	342,079
Design and assembly of modular for equipment; manufacture of components, spares and precision engineering parts for modular or complete machine and equipment	262,753	271,001	202,662	-	-	736,416
	284,174	356,630	288,127	85,465	64,099	1,078,495

The above revenue does not have variable element in consideration.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and did not disclose information on transaction price allocated to remaining performance obligations that have original expected durations of one year or shorter.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

20. Finance costs

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Interest expense of financial liabilities that are not at fair value through profit or loss	**14,293**	15,334	**-**	-
Interest expense on lease liabilities	**544**	609	**48**	77
	14,837	15,943	**48**	77
Recognised in profit or loss	**8,785**	13,072	**48**	77
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets – property, plant and equipment	**6,052**	2,871	**-**	-
	14,837	15,943	**48**	77

21. Profit before tax

		Group		Company	
	Note	**2026 RM'000**	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Profit before tax is arrived at after charging/(crediting):					
Auditors' remuneration					
- Audit fees					
- KPMG PLT		**426**	432	**130**	160
- Affiliate of KPMG PLT		**113**	110	**-**	-
- Other auditors		**151**	167	**-**	-
- Non-audit fees					
- KPMG PLT		**21**	12	**15**	12
- Affiliate of KPMG PLT		**27**	49	**-**	-
Material expenses/(income)					
Impairment on investments in subsidiaries	5	**-**	-	**-**	1,538
Personnel expenses:					
- Wages, salaries and others (including Directors' emoluments)		**202,514**	208,816	**23,484**	20,074
- Employees' Provident Fund contributions		**18,535**	17,850	**2,312**	2,257

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

21. Profit before tax (Cont'd)

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Profit before tax is arrived at after charging/(crediting) (Cont'd):					
Material expenses/(income)					
Property, plant and equipment					
- Depreciation	2	**83,542**	86,073	**668**	534
- Gain on disposal		**(45)**	(20)	**-**	-
- Written off		**643**	325	**-**	76
Right-of-use assets					
- Depreciation	3	**6,080**	7,138	**745**	744
- Gain on modification		**(34)**	-	**-**	-
Intangible assets					
- Amortisation	4	**11,521**	7,583	**408**	331
- Written off		**1,208**	-	**-**	-
Fair value loss/(gain) on derivatives		**4,500**	(1,255)	**-**	-
Foreign exchange loss/(gain):					
- Unrealised		**675**	2,182	**83**	(23)
- Realised		**(2,593)**	2,463	**(16)**	(54)
Government grants	a	**(46)**	(90)	**-**	-
Amortisation of government grants	16	**(171)**	(212)	**-**	-
Expenses arising from leases					
Expenses relating to short-term leases	b	**3,241**	3,561	**111**	109
Expenses relating to leases of low-value assets	b	**137**	175	**15**	23
Net (gain)/loss on impairment of financial instruments and contract assets					
Financial assets at amortised cost		**(1,463)**	(200)	**-**	15,937
Contract assets		**(1,409)**	(263)	**-**	-
		(2,872)	(463)	**-**	15,937

Note a

Wages and operating expenses related subsidies from governments that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

Note b

The Group and the Company lease IT equipment and apartments with contract terms ranging from 1 to 5 years. These leases are either short-term or for low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for such leases.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

22. Key management personnel compensation

Key management personnel compensation are as follows :

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Directors of the Company				
- Fees	**970**	853	**970**	853
- Other emoluments	**2,869**	166	**2,869**	166
	3,839	1,019	**3,839**	1,019
Other key management personnel				
- Remuneration	**9,238**	9,614	**5,995**	6,646
- Employees' Provident Fund contributions	**500**	662	**274**	460
	9,738	10,276	**6,269**	7,106
	13,577	11,295	**10,108**	8,125

Other key management personnel comprise persons other than Directors of the Company, having authority and responsibility for planning and controlling the activities of the Group either directly or indirectly.

The estimated monetary value of benefits-in-kind receivable by Directors and key management personnel of the Group and of the Company amounted to RM99,390 and RM96,603 (2025 : RM84,968 and RM82,654) respectively.

23. Tax expense

Major components of tax expense include :

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Income tax expense				
Malaysia				
- Current year	**27,307**	40,060	**-**	556
- Under/(Over) provision in prior year	**585**	(3,405)	**1**	204
	27,892	36,655	**1**	760
Deferred tax expense				
- Reversal of temporary differences	**(8,307)**	(13,138)	**-**	-
- Over provision in prior year	**(262)**	(19)	**-**	-
	(8,569)	(13,157)	**-**	-
Total tax expense	**19,323**	23,498	**1**	760

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

23. Tax expense (Cont'd)

Reconciliation of tax expense

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Profit for the year	**44,742**	91,921	**60,168**	2,332
Total tax expense	**19,323**	23,498	**1**	760
Profit excluding tax	**64,065**	115,419	**60,169**	3,092
Income tax calculated using Malaysian tax rate at 24%	**15,376**	27,700	**14,441**	742
Effect of different tax rates in foreign jurisdictions	**3,992**	1,819	**-**	-
Non-deductible expenses	**4,559**	3,485	**556**	4,820
Tax exempt income	**(10,433)**	(5,758)	**(14,732)**	(4,330)
Effect of tax incentives	**-**	(978)	**-**	-
Effect of deferred tax assets not recognised/(recognised)	**5,506**	654	**(265)**	(676)
	19,000	26,922	**-**	556
Under/(Over) provision in prior years	**323**	(3,424)	**1**	204
	19,323	23,498	**1**	760

On 30 October 2017, a subsidiary was granted an income tax exemption of 100% on statutory income for certain products for a period of 10 years effective from 1 April 2014 as determined by the Minister of International Trade and Industry of Malaysia. The income tax exemption has been further extended for a period of 5 years.

In Thailand, a subsidiary was also granted promotional certificates by the Office of the Board of Investment ("BOI") for manufacturing of high-density storage test equipment, wafer equipment and advanced semiconductor test equipment and manufacturing of aerospace parts. The subsidiary has been granted several privileges, including exemption and reduction of income tax on net profit derived from the promoted operations, subject to certain terms and conditions prescribed in the promotional certificates, from December 2021 to April 2033.

24. Earnings per ordinary share - Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders of RM44,742,000 (2025 : RM91,921,000) and the weighted average number of ordinary shares outstanding, calculated as follows :

	2026	**2025**
Issue ordinary shares as at beginning of year/at end of year	**676,986,785**	676,986,785
Basic earnings per ordinary share (sen)	**6.61**	13.58

Diluted earnings per ordinary share

The diluted earnings per ordinary share is the same as basic earnings per ordinary share as there are no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

25. Dividends - Company

Dividends recognised by the Company :

	sen per share	Total amount RM'000	Date of payment
2026			
First interim 2025 ordinary	**2.80**	**18,956**	**8 August 2025**
2025			
First interim 2024 ordinary	3.30	22,341	8 August 2024

26. Related parties

Significant related party transactions

The significant related party transactions of the Group and the Company are shown below. The transactions were entered in the normal course of business and established under negotiated terms. The balances relating to the below transactions are shown in Note 7 and Note 18.

i) Subsidiaries

	2026 RM'000	2025 RM'000
Company		
Dividend income	**61,382**	17,250
Management fee income	**34,049**	33,966
Interest income	**212**	2,224
Rental expense of office	**(792)**	(792)
Advances given	**(11,000)**	(22,885)

ii) Immediate holding company

	2026 RM'000	2025 RM'000
Group		
Sales of aerospace parts and other precision tools	**16,471**	9,265
Dividend paid	**(10,472)**	(14,652)
Provision of corporate management services, engineering and administrative services	**2,278**	866
Purchase of corporate management services, engineering and administrative services/fitting and quality assurance services	**(2,272)**	(4,572)
Rental expense of office, factory premises and machine	**(1,281)**	(2,293)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

26. Related parties (Cont'd)

Significant related party transactions (Cont'd)

ii) Immediate holding company (Cont'd)

	2026 RM'000	2025 RM'000
Company		
Provision of corporate management services, engineering and administrative services	**1,126**	654
Dividend paid	**(10,472)**	(14,652)
Purchase of corporate management services, engineering and administrative services/fitting and quality assurance services	**(1,096)**	(3,518)

iii) There were no transactions with key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 22 to the financial statements.

27. Operating segment - Group

The Group has two 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 technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Chief Executive Officer) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments :

Aerospace	Provides a dedicated end-to-end manufacturing solutions on critical engine parts and other related equipment parts
Equipment	Provides an array of equipment engineering and solutions for commercial, semiconductor and other industries

Performance is measured based on segment profit or loss before tax as included in the internal management reports that are reviewed by the CODM. Segment profit or loss 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.

Other non-reportable segment comprise investment holding activities and provision of intra-group management services which did not meet the quantitative thresholds for reportable segments.

Segment assets

The total of segment asset is measured on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

27. Operating segment - Group (Cont'd)

	Aerospace RM'000	Equipment RM'000	Elimination RM'000	Total RM'000
2026				
Revenue from external customers	545,380	895,291	-	1,440,671
Inter-segment revenue	12,166	1,446	(13,612)	-
Total revenue	557,546	896,737	(13,612)	1,440,671
(Loss)/Profit before tax (segment (loss)/profit)	(13,108)	77,173	-	64,065
Included in the measure of segment profit are:				
- Write down of inventories	(10,795)	(3,156)	-	(13,951)
- Depreciation and amortisation	(69,098)	(32,045)	-	(101,143)
- Government grants	46	-	-	46
- Amortisation of government grants	171	-	-	171
- Gain/(Loss) on disposal of property, plant and equipment	91	(46)	-	45
- Gain on lease modification	34	-	-	34
- Net gain on impairment of financial instruments and contract assets	2,848	24	-	2,872
Segment assets	1,204,851	693,378	-	1,898,229
Included in the measure of segment assets are: Additions to non-current assets other than financial instruments and deferred tax assets				
- Additions to property, plant and equipment	90,711	15,513	-	106,224
- Additions to intangible assets	291	2,328	-	2,619

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

27. Operating segment - Group (Cont'd)

	Aerospace RM'000	Equipment RM'000	Elimination RM'000	Total RM'000
2025				
Revenue from external customers	524,216	956,333	-	1,480,549
Inter-segment revenue	11,791	662	(12,453)	-
Total revenue	536,007	956,995	(12,453)	1,480,549
Profit before tax (segment profit)	3,877	111,542	-	115,419
Included in the measure of segment profit are:				
- Write down of inventories	(2,936)	(5,706)	-	(8,642)
- Depreciation and amortisation	(68,460)	(32,334)	-	(100,794)
- Government grants	90	-	-	90
- Amortisation of government grants	212	-	-	212
- Gain/(Loss) on disposal of property, plant and equipment	63	(43)	-	20
- Net gain on impairment of financial instruments and contract assets	390	73	-	463
Segment assets	1,247,592	762,712	-	2,010,304
Included in the measure of segment assets are: Additions to non-current assets other than financial instruments and deferred tax assets				
- Additions to property, plant and equipment	51,291	29,641	-	80,932
- Additions to intangible assets	318	739	-	1,057

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

27. Operating segment - Group (Cont'd)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of the customers. Segment assets are based on the geographical location of the assets.

	Revenue RM'000	Non-current assets RM'000
Geographical information		
2026		
Malaysia	**96,539**	**336,938**
Asia (excluding Malaysia)	**686,862**	**423,718**
North America	**543,671**	**-**
Latin America	**47,996**	**-**
Europe	**65,603**	**-**
	1,440,671	**760,656**
2025		
Malaysia	89,696	411,671
Asia (excluding Malaysia)	778,153	404,112
North America	520,502	-
Latin America	32,913	-
Europe	59,285	-
	1,480,549	815,783

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

27. Operating segment - Group (Cont'd)

Major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue :

	Revenue		
Customer	**2026 RM'000**	**2025 RM'000**	**Segment**
Customer A	**448,444**	551,525	Equipment
Customer B	**249,291**	225,194	Aerospace
Customer C	**207,059**	202,772	Equipment
Customer D	**191,896**	207,813	Aerospace
	1,096,690	1,187,304	

28. Capital commitments - Group

	2026 RM'000	**2025 RM'000**
Property, plant and equipment		
Contracted but not provided for	**66,444**	63,473

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments

29.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows :

(a) Amortised cost ("AC")
(b) Fair value through profit or loss ("FVTPL")
- Designated upon initial recognition ("DUIR")
(c) Derivatives used for hedging

	Carrying amount RM'000	AC RM'000	FVTPL - DUIR RM'000	Derivatives used for hedging RM'000
Group				
2026				
Financial assets				
Trade and other receivables (excluding advance payments, prepayments and value-added tax receivables)	**310,403**	**310,403**	**-**	**-**
Cash and cash equivalents	**24,609**	**24,609**	**-**	**-**
Derivative financial assets	**404**	**-**	**-**	**404**
	335,416	**335,012**	**-**	**404**
Financial liabilities				
Loans and borrowings	**271,461**	**271,461**	**-**	**-**
Trade and other payables	**230,584**	**230,584**	**-**	**-**
Derivative financial liabilities	**3,692**	**-**	**2,968**	**724**
	505,737	**502,045**	**2,968**	**724**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	AC RM'000	FVTPL - DUIR RM'000	Derivatives used for hedging RM'000
Group				
2025				
Financial assets				
Trade and other receivables (excluding advance payments, prepayments and value-added tax receivables)	357,008	357,008	-	-
Cash and cash equivalents	27,982	27,982	-	-
Derivative financial assets	1,115	-	251	864
	386,105	384,990	251	864
Financial liabilities				
Loans and borrowings	252,975	252,975	-	-
Trade and other payables	239,795	239,795	-	-
Derivative financial liabilities	373	-	289	84
	493,143	492,770	289	84

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	AC RM'000
Company		
2026		
Financial assets		
Trade and other receivables (excluding advance payments and prepayments)	**3,280**	**3,280**
Cash and cash equivalents	**2,785**	**2,785**
	6,065	**6,065**
Financial liabilities		
Other payables	**9,572**	**9,572**
2025		
Financial assets		
Trade and other receivables (excluding advance payments and prepayments)	25,727	25,727
Cash and cash equivalents	1,812	1,812
	27,539	27,539
Financial liabilities		
Other payables	12,341	12,341

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.2 Net gains and losses arising from financial instruments

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Net gains/(losses) on:				
Financial assets at AC:				
- interest income	**255**	534	**237**	2,315
- net gain/(loss) on impairment of financial instruments	**1,463**	200	**-**	(15,937)
- foreign exchange gain/(loss)	**5,438**	(1,089)	**(217)**	(18)
	7,156	(355)	**20**	(13,640)
Financial liabilities at AC:				
- interest expense	**(14,293)**	(15,334)	**-**	-
- foreign exchange (loss)/gain	**(3,520)**	(3,556)	**150**	95
	(17,813)	(18,890)	**150**	95
Financial assets at FVTPL:				
- fair value (loss)/gain on derivatives	**(1,181)**	156	**-**	-
Financial liabilities at FVTPL:				
- fair value (loss)/gain on derivatives	**(3,319)**	1,099	**-**	-
Derivatives used for hedging:				
Recognised in other comprehensive income:				
- fair value gain on derivatives	**470**	750	**-**	-
	(14,687)	(17,240)	**170**	(13,545)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

29.4 Credit risk

Credit risk is the risk of a financial loss 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 the individual characteristics of each customer. The Company's exposure to credit risk arises principally from advances to immediate holding company and subsidiaries and financial guarantees given to banks for banking facilities granted to subsidiaries.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management monitors the exposure to credit risk on an ongoing basis. Credit evaluations are performed on customers as needed.

At each reporting date, the Group or the Company assesses 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 or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Concentration of credit risk

The exposure to credit risk for trade receivables and contract assets as at the end of the reporting period by geographical region was :

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Malaysia	**17,806**	35,913	**1,488**	3,424
Asia (excluding Malaysia)	**91,456**	92,527	**305**	16
North America	**477,194**	480,169	**-**	-
Europe	**26,539**	22,758	**-**	-
Latin America	**37,301**	33,782	**-**	-
	650,296	665,149	**1,793**	3,440

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure Expected Credit Loss ("ECLs") of trade receivables and contract assets for all segments.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the sales management team. Where necessary, the Group will also commence legal proceeding against the customers.

Loss rates are based on three-year historical average of published industry default rates based on the credit rating categories of respective customers, adjusted as necessary to reflect the Group's credit risk. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 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 year end which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2026			
Current (Not past due)	**617,294**	**(188)**	**617,106**
1 - 30 days past due	**27,827**	**(14)**	**27,813**
31 - 60 days past due	**4,547**	**(2)**	**4,545**
61 - 90 days past due	**85**	**-**	**85**
More than 90 days past due	**747**	**-**	**747**
	650,500	**(204)**	**650,296**
Trade receivables	**301,862**	**(128)**	**301,734**
Contract assets	**348,638**	**(76)**	**348,562**
	650,500	**(204)**	**650,296**
2025			
Current (Not past due)	624,122	(3,037)	621,085
1 - 30 days past due	30,109	(151)	29,958
31 - 60 days past due	12,527	(76)	12,451
61 - 90 days past due	212	(1)	211
More than 90 days past due	1,451	(7)	1,444
	668,421	(3,272)	665,149
Trade receivables	349,806	(1,693)	348,113
Contract assets	318,615	(1,579)	317,036
	668,421	(3,272)	665,149

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Company			
2026			
Current (Not past due)	**1,793**	**-**	**1,793**
2025			
Current (Not past due)	3,440	-	3,440

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

	Trade receivables Lifetime ECL RM'000	Contract assets RM'000	Total RM'000
Group			
Balance at 1 April 2024	1,982	1,962	3,944
Net remeasurement of loss allowance	(200)	(263)	(463)
Effect of movement in exchange rates	(89)	(120)	(209)
Balance at 31 March 2025/1 April 2025	**1,693**	**1,579**	**3,272**
Net remeasurement of loss allowance	**(1,463)**	**(1,409)**	**(2,872)**
Effect of movement in exchange rates	**(102)**	**(94)**	**(196)**
Balance at 31 March 2026	**128**	**76**	**204**

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with established 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

Other receivables mainly consist of advance paid to suppliers for the purchase of property, plant and equipment and recoverable costs claimable from subcontractor of subsidiaries.

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.

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the 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 statement of financial position.

The 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 advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payment of these advances, the Company considers the advances to be in default when the subsidiary is not able to pay when demanded. The Company considers such advances to be credit impaired when :

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Inter-company advances (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The following tables provide information about the exposure to credit risk and ECLs for inter-company advances as at year end.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Company			
2026			
Low credit risk	**130**	**-**	**130**
2025			
Low credit risk	22,011	-	22,011

The movements in the allowance for impairment of related company advances during the year are as follows :

	Lifetime ECL RM'000
Company	
Balance at 1 April 2024	321
Amount written off	(321)
Balance at 31 March 2025/31 March 2026	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.4 Credit risk (Cont'd)

Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of :

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

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 amounted to RM201.5 million (2025 : RM176.2 million) 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' loans and borrowings.

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 and borrowings individually using internal information available.

As the end of the reporting period, the Company did not recognise any allowance for impairment in respect of financial guarantees as the Company is of the view that the loss allowance is not material and hence, it is not provided for.

29.5 Liquidity risk

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

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.5 Liquidity risk (Cont'd)

Maturity analysis

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

	Carrying amount RM'000	Contractual interest rates/ discount rates per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Group						
2026						
Non-derivative financial liabilities						
Trade and other payables	230,584	-	230,584	227,506	3,078	-
Lease liabilities	8,285	3.23 - 4.11	8,638	4,882	3,756	-
Term loans - variable rate	78,955	4.79 - 5.89	85,442	34,906	31,896	18,640
Revolving credit	177,154	4.23 - 4.68	177,154	177,154	-	-
Promissory notes	15,352	5.02	15,352	15,352	-	-
	510,330		517,170	459,800	38,730	18,640
Derivative financial liabilities						
Forward exchange contracts (gross settled):						
Outflow	3,288	-	162,744	162,744	-	-
Inflow	-	-	(159,456)	(159,456)	-	-
	513,618		520,458	463,088	38,730	18,640

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

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

	Carrying amount RM'000	Contractual interest rates/ discount rates per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Group						
2025						
Non-derivative financial liabilities						
Trade and other payables	239,795	-	239,795	231,953	7,842	-
Lease liabilities	11,499	3.23 - 4.11	12,020	5,836	3,711	2,473
Term loans - variable rate	120,767	6.10 - 7.07	134,625	40,528	38,484	55,613
Revolving credit	132,208	4.92 - 5.33	132,208	132,208	-	-
	504,269		518,648	410,525	50,037	58,086
Derivative financial liabilities						
Forward exchange contracts (gross settled):						
Outflow	-	-	163,623	163,623	-	-
Inflow	(742)	-	(164,365)	(164,365)	-	-
	503,527		517,906	409,783	50,037	58,086

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

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

	Carrying amount RM'000	Contractual interest rates/ discount rates per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Company						
2026						
Non-derivative financial liabilities						
Other payables	**9,572**	**-**	**9,572**	**8,576**	**996**	**-**
Lease liabilities	**775**	**4.04**	**792**	**792**	**-**	**-**
Financial guarantees	**-**	**-**	**201,527**	**201,527**	**-**	**-**
	10,347		**211,891**	**210,895**	**996**	**-**
2025						
Non-derivative financial liabilities						
Other payables	12,341	-	12,341	9,734	2,607	-
Lease liabilities	1,519	4.04	1,584	792	792	-
Financial guarantees	-	-	176,216	176,216	-	-
	13,860		190,141	186,742	3,399	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.6 Market risk

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

29.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollar ("SGD"), Ringgit Malaysia ("RM") and Thai Baht ("THB").

Risk management objectives, policies and processes for managing the risk

The Group uses forward exchange contracts to hedge its foreign currency risk arising mainly from sales and purchases denominated in foreign currency. The forward exchange contracts have maturities of less than a year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows :

	<-------------------------- Denominated in	------------------------------>		
	USD RM'000	**SGD RM'000**	**RM RM'000**	**THB RM'000**
Group				
Balances recognised in the statement of financial position				
2026				
Trade and other receivables	**1,257**	**1,071**	**9,129**	**2,509**
Cash and cash equivalents	**2,191**	**619**	**2,836**	**934**
Trade and other payables	**(10)**	**(4,784)**	**(37,063)**	**(12,629)**
Lease liabilities	**-**	**(5,474)**	**-**	**(2,811)**
Net exposure	**3,438**	**(8,568)**	**(25,098)**	**(11,997)**
2025				
Trade and other receivables	2,791	106	10,222	2,754
Cash and cash equivalents	1,822	1,281	3,798	1,236
Trade and other payables	(13)	(6,937)	(33,871)	(7,218)
Lease liabilities	-	(11,495)	(4)	-
Net exposure	4,600	(17,045)	(19,855)	(3,228)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.6 Market risk (Cont'd)

29.6.1 Currency risk (Cont'd)

Currency risk sensitivity analysis

A 5% (2025 : 5%) strengthening of the functional currency of Group entities against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact on forecasted sales and purchases. There is no impact to equity arising from exposure to currency risk.

	Equity/Profit or loss	
	2026 RM'000	**2025 RM'000**
Group		
USD	**(131)**	(175)
SGD	**326**	648
RM	**954**	754
THB	**456**	123
	1,605	1,350

A 5% (2025 : 5%) weakening of the functional currency of Group entities against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

29.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rate. The Group's variable rate borrowings are exposed to a risk of change in their cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.6 Market risk (Cont'd)

29.6.2 Interest rate risk (Cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-earning financial assets interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows :

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fixed rate instruments				
Financial assets				
- Fixed deposit placed with a licensed bank	**4,848**	-	**-**	-
Financial liabilities				
- Lease liabilities	**(8,285)**	(11,499)	**(775)**	(1,519)
Floating rate instruments				
Financial assets				
- Amount due from subsidiaries	**-**	-	**-**	11,383
Financial liabilities				
- Term loan	**(78,955)**	(120,766)	**-**	-
- Revolving credit	**(177,154)**	(132,209)	**-**	-
Promissory notes	**(15,352)**	-	**-**	-
	(271,461)	(252,975)	**-**	-

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate 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 floating rate instruments*

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group and Company's post-tax profit or loss would have been RM1,032,000 (2025 : RM961,000) higher/lower and RM Nil (2025 : RM43,000) lower/higher respectively, arising mainly as a result of lower/higher interest expense on floating rate instruments. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.7 Fair value information

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

The table below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Group										
2026										
Financial assets										
Forward exchange contracts	-	**404**	-	**404**	-	-	-	-	**404**	**404**
Financial liabilities										
Accrued expenses	-	-	-	-	-	-	**(2,885)**	**(2,885)**	**(2,885)**	**(3,078)**
Term loans - variable rate	-	-	-	-	-	-	**(78,955)**	**(78,955)**	**(78,955)**	**(78,955)**
Forward exchange contracts	-	**(3,692)**	-	**(3,692)**	-	-	-	-	**(3,692)**	**(3,692)**
	-	**(3,692)**	-	**(3,692)**	-	-	**(81,840)**	**(81,840)**	**(85,532)**	**(85,725)**
2025										
Financial assets										
Forward exchange contracts	-	1,115	-	1,115	-	-	-	-	1,115	1,115
Financial liabilities										
Accrued expenses	-	-	-	-	-	-	(7,349)	(7,349)	(7,349)	(7,842)
Term loans - variable rate	-	-	-	-	-	-	(120,767)	(120,767)	(120,767)	(120,767)
Forward exchange contracts	-	(373)	-	(373)	-	-	-	-	(373)	(373)
	-	(373)	-	(373)	-	-	(128,116)	(128,116)	(128,489)	(128,982)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 March 2026

29. Financial instruments (Cont'd)

29.7 Fair value information (Cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the levels in fair value during the financial year (2025 : no transfer in either direction).

Level 2 fair value

Derivatives

The fair value of the forward exchange contracts is estimated by reference to the market rate for similar contracts obtained from the banks which the Group contracted with.

Level 3 fair value

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

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The carrying amount of floating rate term loans approximate fair value as their effective interest rates change accordingly to movements in the market interest rate.

29.8 Material accounting policy information

The Group or the Company applies trade date accounting for regular way purchase or sale of financial assets.

30. Capital management

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

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.

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 124 to 202 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 of 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 :

……………………………………………………..…..

Tan Kai Hoe
Director

……………………………………………………..…..

Ng Boon Keat
Director

Date: 23 June 2026

STATUTORY DECLARATION

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

I, **Teh Mun Ling**, the officer primarily responsible for the financial management of SAM Engineering & Equipment (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 124 to 202 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Teh Mun Ling**, NRIC: 711022-07-5208, MIA CA16317, at George Town in the State of Penang on 23 June 2026.

……………………………………………………..…..

Teh Mun Ling
Chief Financial Officer

Before me:

INDEPENDENT AUDITORS' REPORT

To The Members Of Sam Engineering & Equipment (M) Berhad

(Registration No. 199401012509 (298188 - A)) (Incorporated In Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SAM Engineering & Equipment (M) 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 124 to 202.

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 year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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 auditors' 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 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.

Valuation of inventories - Group

Refer to Note 1(d) - Use of estimates and judgements and Note 8 - Inventories to the financial statements.

The key audit matter

The Group's inventories amounted to RM407 million as at 31 March 2026 represented 21% of the Group's total assets.

Inventories are measured at the lower of cost and net realisable value. Identifying and determining the appropriate write down for inventories to net realisable value required judgement by the Group.

We have identified valuation of inventories as a key audit matter because the judgements and estimates made by the Group may be affected by external and market considerations which are inherently uncertain.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members Of Sam Engineering & Equipment (M) Berhad

For The Year Ended 31 March 2026

How the matter was addressed in our audit

Our audit procedures include, among others :

- Obtained an understanding of the Group's process for measuring the amount of inventories written down is required;
- Evaluated the design and implementation of key controls over management's process in identifying and writing down slow-moving and obsolete inventories;
- Attended the year end physical inventory counts to identify the existence of any damaged inventories;
- Agreed the quality affected inventories that are written down to the Group's Non-conformance Reports and Material Disposition Reports;
- Tested the underlying data of open purchase orders listing by verifying customer's purchase orders and contracts for quantities covered by open purchase orders or customer's contracts;
- Compared the carrying value of inventories to sales made subsequent to the year end and determined whether they were sold at prices higher than the carrying value; and
- Evaluated the Group's basis of writing down slow-moving inventories and assessed the adequacy of the allowance provided for.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

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 annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting 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 ability of the Group and of the Company 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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members Of Sam Engineering & Equipment (M) Berhad

For The Year Ended 31 March 2026

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 internal control of the Group and of the Company.

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

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

- 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 financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members Of Sam Engineering & Equipment (M) Berhad

For The Year Ended 31 March 2026

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 5 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chong Dee Shiang
Approval Number: 02782/09/2026 J
Chartered Accountant

Penang

Date: 23 June 2026