



SOLID AUTOMOTIVE BERHAD
REGISTRATION NO. 201201032237 (1016725-P)

THE SPECIALIST IN AUTOMOTIVE PARTS

Quality That
Keeps You *Moving*
Forward

ANNUAL REPORT 2025

OUR VISION

To be the most successful & market leading automotive aftermarket parts provider.



OUR MISSION

- To create value for our stakeholders through profitable growth and sustainability.
- To relentlessly focus on value, quality and comprehensive automotive aftermarket parts.
- To excel in customer service.
- To constantly seek and develop markets for our automotive aftermarket parts.
- To actively engage in our employees' development.
- To continuously improve and inspire innovation.
- To leverage on technology to be at the leading edge of the automotive aftermarket parts industry.
- To operate with passion and share our successes.

13th ANNUAL GENERAL MEETING OF SOLID AUTOMOTIVE BERHAD

Venue:

Holiday Villa Johor Bahru City Centre
Diamond 2, 10th Floor
No. 260, Jalan Dato' Sulaiman, Taman Abad,
80250 Johor Bahru, Johor, Malaysia

Date: Thursday, 25 September 2025

Time: 10.00 a.m.



Access the full version of this report, or view a summary of our FY 2025 performance at www.solidautomotive.com

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Chai Yee Man
Chairperson,
Independent Non-Executive Director

Mr. Ker Min Choo
Managing Director

Mr. Ker Keddy
Executive Director

Mr. Ker Hong
Executive Director

Mr. Ker Shiloong
Executive Director

Ms. Tan Lay Beng
Independent Non-Executive Director

Ms. Tan Siew Peng
Independent Non-Executive Director

AUDIT COMMITTEE

Chairperson

Ms. Tan Lay Beng

Member

Mr. Chai Yee Man

Ms. Tan Siew Peng

REMUNERATION COMMITTEE

Chairperson

Ms. Tan Siew Peng

Member

Ms. Tan Lay Beng

Mr. Chai Yee Man

NOMINATION COMMITTEE

Chairperson

Mr. Chai Yee Man

Member

Ms. Tan Lay Beng

Ms. Tan Siew Peng

COMPANY SECRETARIES

Ms. Santhi A/P Saminathan
(MAICSA 7069709)

Ms. Tai Yit Chan
(MAICSA 7009143)

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : (603) 2783 9299
Fax : (603) 2783 9222
Email : is.enquiry@my.tricorglobal.com

REGISTERED OFFICE

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Johor Darul Takzim, Malaysia
Tel : (607) 224 1035
Fax : (607) 221 0891
Email : boardroom-kl@
boardroomlimited.com

HEAD OFFICE

5, Jalan Dataran 5
Taman Kempas
81200 Johor Bahru, Johor
Tel : (607) 238 6363
Website : www.solidautomotive.com
Email : ir@solidautomotive.com

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Al Rajhi Banking & Investment
Corporation (Malaysia) Berhad
Hong Leong Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Maybank Singapore Limited
Public Bank Berhad

AUDITORS

CROWE MALAYSIA PLT

Johor Bahru Office
(LLP0018817-LCA & AF 1018)
E-2-3, Pusat Komersial Bayu Tasek
Persiaran Southkey 1
Kota Southkey
80150 Johor Bahru
Johor Darul Takzim, Malaysia

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia
Securities Berhad ("Bursa Securities")
Sector : **Consumer Products
and Services**
Sub Sector : **Automotive**
Stock name : **SOLID**
Stock Code : **5242**



CORPORATE STRUCTURE



DIRECTORS' PROFILE

MR. CHAI YEE MAN

Chairperson, Independent Non-Executive Director

Age : 47 | **Nationality :** Malaysian | **Gender :** Male

Date of Appointment : 26 February 2020

He is the Chairperson of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee.

He is a graduate from University of London, England and held the Certificate in Legal Practice of Legal Profession Qualifying Board, Malaysia.

He started his career as a pupillage in Messrs K.H. Teoh & Associates in 2003 and with Messrs T.G. Koh, Chai & Song as a partner from 2005 to 2008. He joined Mahkota Medical Centre Sdn Bhd as a Legal & Secretarial Manager from 2008 to 2010, and subsequently with Danga Bay Sdn Bhd and Iskandar Waterfront Holdings Sdn Bhd and its group of companies as their legal adviser from 2010 to 2014. In 2015, he joined Messrs Choo & K.C. Kok as a partner and he is now the Senior Partner.

Mr. Chai Yee Man has vast experience in contentious civil litigation, corporate and conveyancing matters and including litigation areas such as insurance claims, medical services, property development, construction, retail, food & beverage, plantation as well as strata management & maintenance, and gated & guarded community matters.

Mr. Chai Yee Man does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years.

He attended all the five (5) Board meetings held during the financial year ended 30 April 2025.

MR. KER MIN CHOO

Managing Director

Age : 63 | **Nationality :** Malaysian | **Gender :** Male

Date of Appointment : 9 October 2012

He is one of the founding members of our Group.

He has extensive experience and in-depth knowledge of the automotive electrical parts trade in Malaysia as well as overseas. He has been actively involved in the automotive aftermarket for electrical parts and components in Malaysia for over 32 years.

Mr. Ker Min Choo does not have any family relationship with any Director or substantial shareholder of the Company except for Mr. Ker Boon Kee (a substantial shareholder) who is his sibling, Mr. Ker Keddy (a director of the Company) and Mr. Ker Shiloong (a director of the Company) who are his nephews, Mr. Ker Hong (a director of the Company) who is his son, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years.

He attended 4 (four) out of 5 (five) Board meetings held during the financial year ended 30 April 2025.

MR. KER KEDDY

Executive Director

Age : 44 | **Nationality :** Malaysian | **Gender :** Male

Date of Appointment : 1 May 2021

He holds a Bachelor's Degree in Management from University of Kinki, Japan.

Mr. Ker Keddy has 18 years of experience in the commercial and truck spare parts industry.

Mr. Ker Keddy does not have any family relationship with any Director or substantial shareholder of the Company except for Mr. Ker Min Choo (a director of the Company) who is his uncle, Mr. Ker Boon Kee (a substantial shareholder) who is his father, Mr. Ker Hong and Mr. Ker Shiloong (both are directors of the Company) who are his cousins, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years.

He attended all the 5 (five) Board meetings held during the financial year ended 30 April 2025.

Directors' Profile (Cont'd)

MR. KER HONG

Executive Director

Age : 38 | Nationality : Malaysian | Gender : Male

Date of Appointment : 16 June 2023

He was appointed to the Board as alternate director of Mr. Ker Min Choo and resigned on 16 June 2023. On the same date, he was appointed to the Board as Executive Director.

He holds a Bachelor's Degree in Electrical and Electronics Engineering from University of Adelaide, Australia and a Master of Business Administration specializing in Strategic Management from University of Technology Malaysia (UTM), Malaysia.

Mr. Ker Hong was appointed as the Purchasing Manager at Solid Corporation Sdn Bhd in March 2012, with the additional responsibility of serving as the Quality Management Representative (QMR) in charge of implementing and maintaining the ISO 9001 system. Following his tenure at Solid Corporation Sdn Bhd, he transitioned to Borneo Technical Co. (M) Sdn Bhd in January 2019, where he currently holds the esteemed position of Chief Operating Officer (COO) within the organization. His professional journey is marked by a remarkable 13-year tenure in the automotive aftermarket industry, which has endowed him with a wealth of valuable experience.

Mr. Ker Hong does not have any family relationship with any Director or substantial shareholder of the Company except for Mr. Ker Min Choo (a director of the Company) who is his father, Mr. Ker Boon Kee (a substantial shareholder) who is his uncle, Mr. Ker Keddy and Mr. Ker Shiloong (both are directors of the Company) who are his cousins, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years.

He attended 4 (four) out of 5 (five) Board meetings held during the financial year ended 30 April 2025.

MR. KER SHILOONG

Executive Director

Age : 37 | Nationality : Malaysian | Gender : Male

Date of Appointment : 16 June 2023

He has a Bachelor of Science in Business from the University of London, UK and an Executive Master of Business Administration from Quantic School of Business and Technology, USA.

With 14 years of experience in the spare parts for commercial vehicles segment, Mr. Ker Shiloong brings valuable expertise to the Board. His extensive knowledge and comprehensive understanding of this industry equips him with invaluable insights into the intricacies and dynamics of this specific sector.

Mr. Ker Shiloong does not have any family relationship with any Director or substantial shareholder of the Company except for Mr. Ker Min Choo (a director of the Company) and Mr. Ker Boon Kee (a substantial shareholder) who are his uncles, Mr. Ker Keddy and Mr. Ker Hong (both are directors of the Company) who are his cousins, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years.

He attended all the 5 (five) Board meetings held during the financial year ended 30 April 2025.

Directors' Profile (Cont'd)

MS. TAN LAY BENG

Independent Non-Executive Director

Age : 71 | **Nationality :** Malaysian | **Gender :** Female

Date of Appointment : 18 August 2014

She is the Chairperson of the Audit Committee and a member of the Nomination Committee and Remuneration Committee.

She is a Fellow member of the Association of Chartered Certified Accountants of United Kingdom, a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") and a Fellow member of the Chartered Tax Institute of Malaysia ("CTIM"). She was the past Chairperson for the Southern Branch of CTIM and the past Johor Region Chairperson of MIA.

She has wide experience in accounting, audit and tax, having worked with a mid-size and an international accounting firm before starting her own consulting practice.

She is currently an Independent Non-Executive Director of AME Elite Consortium Berhad and Power Root Berhad (both listed on the Main Board of Bursa Malaysia). In both the companies, she is the Chairperson of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. She is recently appointed as an Independent Non-Executive Director of BMS Holdings Berhad.

Ms. Tan Lay Beng does not have any family relationship with any Director or substantial shareholder of the Company, nor does she have any conflict of interest with the Group. She has not been convicted of any offences within the past five (5) years.

She attended all the five (5) Board meetings held during the financial year ended 30 April 2025.

MS. TAN SIEW PENG

Independent Non-Executive Director

Age : 56 | **Nationality :** Malaysian | **Gender :** Female

Date of Appointment : 16 June 2023

She is the Chairperson of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

She is a Fellow member of the Association of Chartered Certified Accountants of United Kingdom and a member of the Malaysian Institute of Accountants.

She has 31 years' experience in the areas of financial management, treasury management, tax planning and compliance as well as enterprise risk management. She started her career with Price Waterhouse Johor Bahru in 1994 before transiting into the commercial sector where she held senior positions in companies involved in the electronics, construction and property development activities.

Currently, as the Director of Finance in the Southern Region for the UMLand Group, she is entrusted with the role to take charge of the Finance Division of all UMLand's townships in the Southern Region.

And, she is currently the Independent Non-executive Director of Ingenieur Gudang Berhad where she held the position of Chairperson of the Audit Committee and a member of the Nomination Committee and Remuneration Committee since her appointment in March 2019.

Ms. Tan Siew Peng does not have any family relationship with any Director or substantial shareholder of the Company, nor does she have any conflict of interest with the Group. She has not been convicted of any offences within the past five (5) years.

She attended all the five (5) Board meetings held during the financial year ended 30 April 2025.

PROFILE OF KEY SENIOR MANAGEMENT

MR. LIEW CHEONG SENG

Chief Operating Officer - Solid Corporation Sdn. Bhd.

Age : 47 | Nationality : Malaysian | Gender : Male

Date of Appointment : Year 2015

Qualification:

Bachelor of Economics (University of Malaya, Malaysia)

Mr. Liew Cheong Seng does not hold directorships in any public companies or listed issuers.

Working Experience:

- Solid Corporation Sdn. Bhd. since 2002

He does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the last five (5) years.

MR. KER MENG OI

Chief Operating Officer - Loco Auto Sdn. Bhd.

Age : 61 | Nationality : Malaysian | Gender : Male

Date of Appointment : Year 2022

Qualification:

Bachelor of Business Administration
(Boise State University, USA)

Mr. Ker Meng Oi was an Executive Director of Solid Automotive Berhad and resigned on 16 November 2020. He currently does not hold directorships in any public companies or listed issuers.

Working Experience:

- Solid Corporation Sdn. Bhd. since 1989
- Chief Operating Officer - Loco Auto Sdn. Bhd. since 2022

He does not have any family relationship with any Director or substantial shareholder of the Company except for Mr. Ker Min Choo (a director of the Company) and Mr. Ker Boon Kee (a substantial shareholder) who are his siblings, Mr. Ker Keddy, Mr. Ker Hong and Mr. Ker Shiloong (directors of the Company) who are his nephews, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years.

MR. LOO CHEE HOW

Director - Win Soon Auto Suppliers Sdn. Bhd.

Age : 57 | Nationality : Malaysian | Gender : Male

Date of Appointment : Year 2019

Qualification:

Sijil Pelajaran Malaysia (SPM)

Mr. Loo Chee How does not hold any directorships in public companies or listed issuers.

Working Experience:

- Sales Representative in SM Mechanical (M) Sdn. Bhd. since 1990
- Sales Representative in APM Auto Parts Marketing Sdn. Bhd. since 1992
- Director of Win Soon Auto Suppliers Sdn. Bhd. since 2009

He does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the last five (5) years.

MR. MAH KOK MING

Director - Win Soon Auto Suppliers Sdn. Bhd.

Age : 49 | Nationality : Malaysian | Gender : Male

Date of Appointment : Year 2019

Qualification:

Sijil Pelajaran Malaysia (SPM)

Mr. Mah Kok Ming does not hold any directorships in public companies or listed issuers.

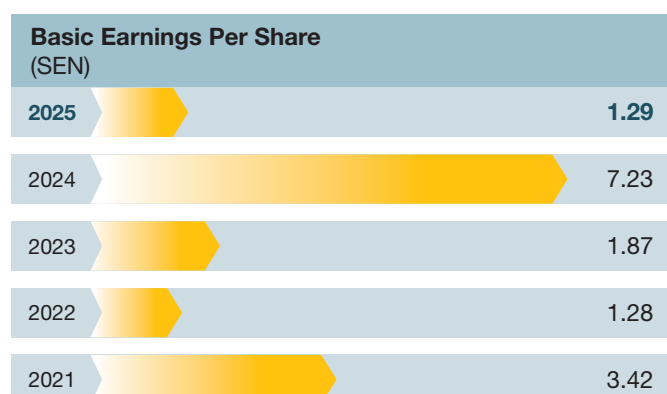
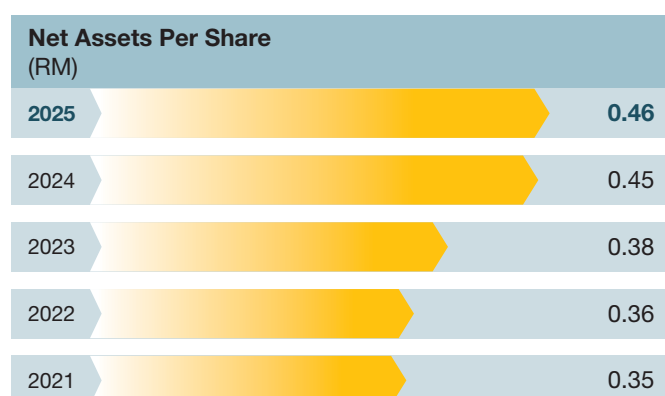
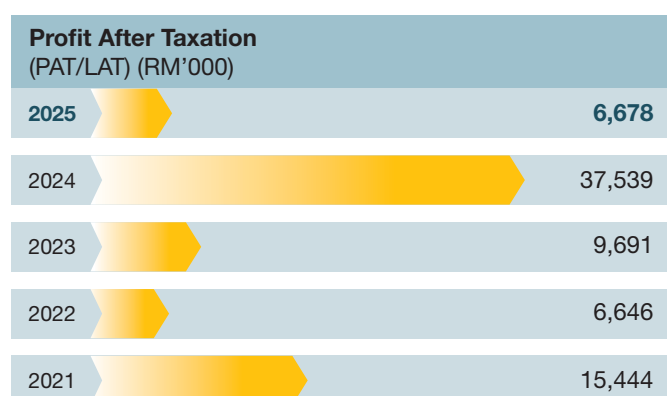
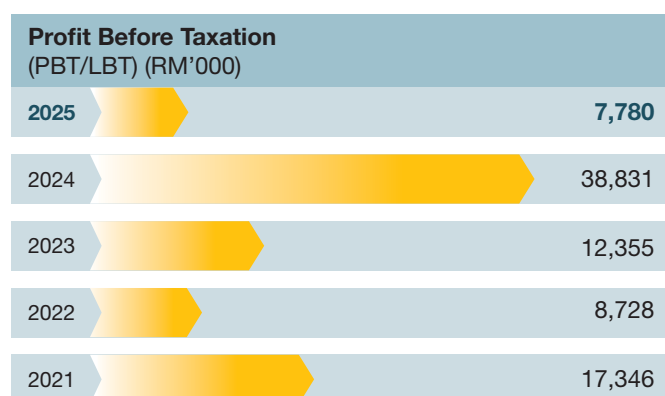
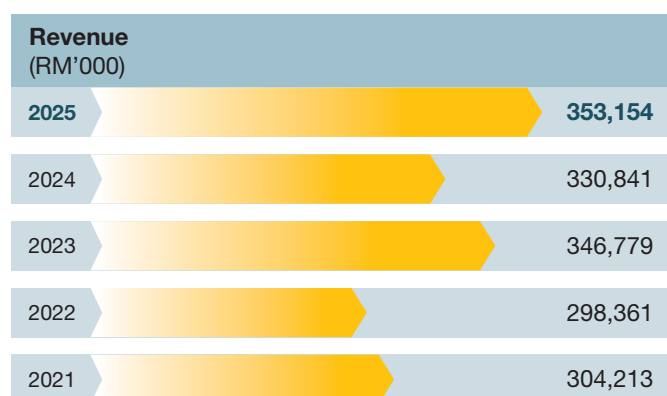
Working Experience:

- Sales Representative in Gee Heng Trading since 1995
- Sales Representative in Poal & Yik Auto Parts (M) Sdn. Bhd. since 1996
- Sales Representative in German Auto Electric Sdn. Bhd. since 1997
- Sales Representative in APM Auto Parts Marketing Sdn. Bhd. since 2000
- Director of Win Soon Auto Suppliers Sdn. Bhd. since 2008

He does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the last five (5) years.

FINANCIAL HIGHLIGHTS

		Financial Year Ended 30 April				
		2021	2022	2023	2024	2025
Revenue	RM'000	304,213	298,361	346,779	330,841	353,154
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	RM'000	24,278	15,167	20,431	46,730	15,327
Profit Before Taxation (PBT/LBT)	RM'000	17,346	8,728	12,355	38,831	7,780
Profit After Taxation (PAT/LAT)	RM'000	15,444	6,646	9,691	37,539	6,678
Profit Attributable to Owners of the Company	RM'000	15,481	6,661	9,691	37,539	6,678
Shareholders' Equity	RM'000	181,847	187,164	196,028	234,182	237,030
Total Assets	RM'000	250,889	288,221	293,272	318,433	318,443
Net Assets Per Share	RM	0.35	0.36	0.38	0.45	0.46
Basic Earnings Per Share	sen	3.42	1.28	1.87	7.23	1.29
Dividend Per Share	sen	0.30	-	0.30	0.60	-



MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Solid Automotive Berhad (“The Group”) was incorporated on 12 September 2012 and is principally an investment holding company. The business activities of the Group consist of mainly trading and distribution of automotive spare parts and components in the following segments:

- Automotive service, electrical, spare and related parts (“AE”) for passenger and commercial vehicles – involved in the trading and distribution of automotive batteries, lubricants, electrical parts, spare parts and components;
- Automotive engine and mechanical parts (“AEM”) for commercial vehicles – involved in the trading and distribution of automotive engine and mechanical parts and components; and
- Others – involved in management of investment properties and trading and distribution of industrial supplies.

REVIEW OF OPERATING ACTIVITIES

In the Financial Year (“FY”) 2025, the automotive aftermarket for parts and components remained relatively stable, despite on-going macroeconomic and geopolitical issues.

Demonstrating strong adaptability, the Group successfully maintained its market share in the domestic market. At the end of the financial year under review, the Group operated 26 branches and warehouses across Malaysia along with 1 subsidiary in Singapore. The export market faced increased competition due to continued global economic developments and intensifying globalization. In response, the Group continues to strengthen and establish its presence in existing markets while exploring new regions. As a result, revenue of the Group has increased compared to the previous year.

AE segment remained the primary revenue contributor, accounting for approximately 84.8% of total revenue, while the AEM contributed approximately 9.7%.

FINANCIAL RESULTS AND CONDITIONS

Revenue

The Group’s revenue for FY 2025 increased to RM353.154 million, representing an increase of 6.74% as compared to RM330.841 million in FY 2024.

The revenue was predominantly driven by domestic sales, which rose to RM311.761 million in FY 2025, an increase of RM14.477 million or 4.87% from RM297.284 million in FY 2024.

Similarly, export sales increased from RM33.557 million in FY 2024 to RM41.393 million in FY 2025, marking an increase of RM7.836 million or 23.35%.

The overall increase in revenue was primarily attributed to higher domestic and export sales.

Profit Before Tax

Profit before tax of the Group for FY 2025 was RM7.780 million, a decrease of RM31.051 million as compared to RM38.831 million in FY 2024, mainly due to the gain on disposal of Investment properties in FY2024.

Financial Position

Inventories of the Group increased slightly by RM1.100 million to RM90.721 million as at end of FY 2025. Inventory turnover days decreased to 120 days as compared to 127 days as at end of FY 2024.

As at end of FY 2025, cash and cash equivalents of the Group decreased from RM84.720 million to RM35.867 million mainly due to the acquisitions of three properties.

Borrowings from financial institutions of the Group decreased by RM5.155 million, from RM39.993 million as at end of FY 2024 to RM34.838 million as at end of FY 2025 mainly due to decreased trade financing for working capital purposes. The Group’s debt-to-equity ratio stood at 0.013 times as at end of FY 2025 compared to -0.171 times as at end of FY 2024.

The Group continues to exercise prudence in its financial management as part of its strategic objectives in building and maintaining a strong financial position.

Capital Structure

During FY 2025, there were no changes to the capital. No share options under the ESOS were granted by the Company.

Management Discussion And Analysis (Cont'd)

ANTICIPATED OR KNOWN RISKS

1. Competition Risks

The automotive aftermarket for parts and components in Malaysia (which includes the automotive aftermarket for electrical and non-electrical parts and components) is large, growing and provides market opportunities to a large and wide range of participants. The Group faces competition from existing players as well as new entrants to the industry with low entry barrier that may offer similar products of varying quality and price range. High product availability, wide range of reliable and quality products offering excellent value to our customers and stronger brand image are key factors to our continued profitability and growth.

With the above key factors, the Group has implemented strategic sales and marketing initiatives as well as enhanced our supply chain management to create a sustainable competitive advantage in the automotive aftermarket.

2. Technological risks

Existing automotive parts and components are constantly being improved or innovated from the advancement in automotive technologies while new materials are also being explored for their potential usages in the manufacture of automotive parts and components that can offer cost savings and better performance.

As such, the automotive aftermarket parts and components industry in which our Group participates, requires us to keep abreast with the latest models of automotive parts and components introduced to the market. This is an important effort we require in staying competitive by enabling us to expand our products range, increase our market share and penetrate into new markets.

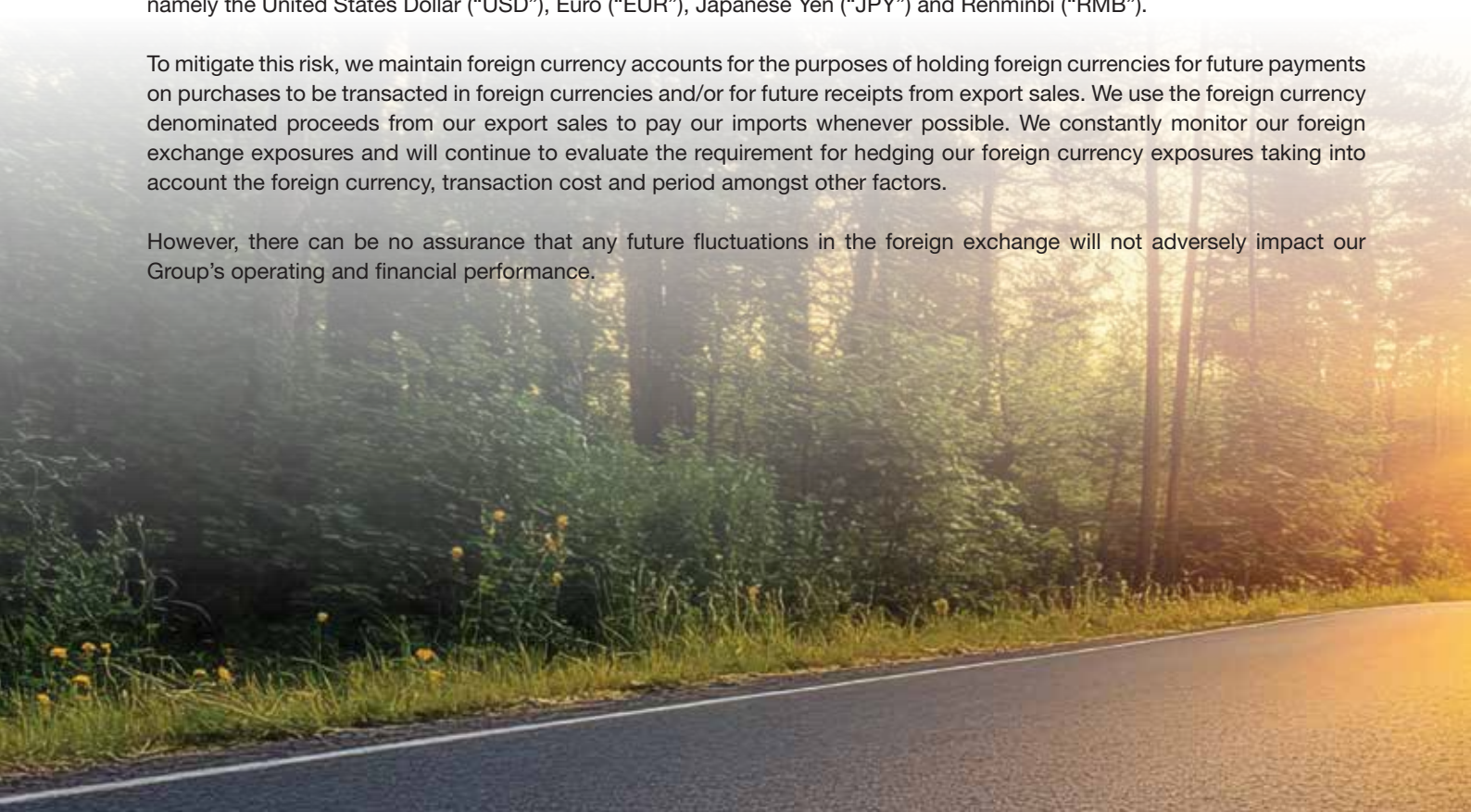
Our Group strives to keep abreast with the latest development in the industry. We actively participate in various international trade fairs and exhibitions to obtain the necessary industry exposures and seek feedback from our customers in respect of their new product requirements.

3. Foreign Exchange Risks

We are exposed to foreign currency risks as a significant portion of our purchases are transacted in foreign currencies, namely the United States Dollar ("USD"), Euro ("EUR"), Japanese Yen ("JPY") and Renminbi ("RMB").

To mitigate this risk, we maintain foreign currency accounts for the purposes of holding foreign currencies for future payments on purchases to be transacted in foreign currencies and/or for future receipts from export sales. We use the foreign currency denominated proceeds from our export sales to pay our imports whenever possible. We constantly monitor our foreign exchange exposures and will continue to evaluate the requirement for hedging our foreign currency exposures taking into account the foreign currency, transaction cost and period amongst other factors.

However, there can be no assurance that any future fluctuations in the foreign exchange will not adversely impact our Group's operating and financial performance.



Management Discussion And Analysis (Cont'd)

4. Political, Economic and Regulatory Risks

Given that the Group purchases and sells our products in both local and oversea markets, any adverse development in the political, economic and regulatory environment in the countries involved may adversely affect the financial and operational conditions as well as the overall profitability of the Group.

Political, economic and regulatory uncertainties include but are not limited to changes in general economic and business conditions, government legislations and policies affecting our industry, inflation, fluctuations in foreign exchange rates and interest rates, political and social development, risks of war, expropriation, nationalisation, renegotiation or nullification of existing contracts, methods of taxation and currency exchange controls.

Current on-going macroeconomic and geopolitical issues lead to market uncertainties. The Group will continue to adopt prudent management and precautionary measures but there can be no assurance that these measures are sufficient to address any future changes in the political, economic and regulatory environment in the countries involved.

5. Dependence on Key Management Personnel

The Group's continued success depends, to a significant extent, upon the capabilities, skill, knowledge and continued efforts of its key management personnel to lead the Group to achieve its business and corporate objectives. The loss of key management personnel may adversely affect the Group performance.

The Group recognises the importance of attracting and retaining key management personnel and have in place competitive compensation packages and reward schemes. Further, the Group has a formal Succession Policy in place to ensure that a systematic succession planning process in place to identify, recruit and groom candidates for our management team to meet the Group's plans for the future.

Nevertheless, there can be no assurance that the above measures will always be successful in retaining key management or ensuring smooth succession should changes occur.



Management Discussion And Analysis (Cont'd)

FORWARD LOOKING STATEMENT

The global automotive industry is undergoing a structural shift, driven by supply chain recovery and accelerated Electric Vehicle (EV) adoption. In Malaysia, the market remains stable, supported by government incentives, and consistent consumer demand, with Internal Combustion Engine (ICE) and Hybrid vehicles still leading in volume.

Despite global economic headwinds and increasing pressure to meet net-zero greenhouse gas (GHG) targets, the Group sees clear growth opportunities. Backed by strong ICE technical foundations, the Group is well-positioned to access both domestic and export Total Addressable Markets (TAM), especially in underserved regions and segments.

Key Strategic Priorities:-

➤ Product-Market Fit Optimization Build on ICE strengths while developing EV proof products.	➤ Market Expansion Capture demand in export-driven and underserved local segments.
➤ Partnership Activation Strengthen reach, innovation, and channel development through alliances.	➤ Resilience & Agility Leverage a structured Strengths, Weaknesses, Opportunities, and Threats (SWOT) approach to manage risks and opportunities.

With a focus on data-driven insights, operational excellence, and sustainable execution, the Group remains committed to long-term stakeholder value creation, reinforcing its competitiveness in a transitioning automotive landscape.

DIVIDEND POLICY

On 24 October 2024, the Company paid a single tier final dividend of RM0.0060 per ordinary share, amounting to RM3,116,225 in respect of FY 2024.

The Board does not recommend the payment of any final dividend for FY 2025.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to convey our appreciation to our shareholders as well as other stakeholders for their continuous trust and support. I would like to thank the Board of Directors, the management and employees of Solid Group for their continuous commitment and dedication without which we would not be where we are today.

MR. KER MIN CHOO

MANAGING DIRECTOR



SUSTAINABILITY STATEMENT

Introduction

Integrating sustainability into our business operations and strategies is one of our core on-going commitments. We endeavor to creating long-term value for our stakeholders, including but not limited to, our shareholders, employees, customers, suppliers, and the communities in which we operate. This statement outlines our continuous efforts in environmental, social, and governance / economic (“ESG”) practices, in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), Practice Note 9A (“PN9A”) in particular.



GOVERNANCE

We believe that strong governance is the foundation of sustainable business practices. Our Board of Directors (“Board”) and Executive Committee (“Exco”) recognize that sustainability is a perpetual journey and the Group is still a beginner. Nevertheless, Board and Exco are dedicated to ensuring that sustainability is embedded in our corporate strategies. We have established a Risk Management Committee (“RMC”) at management level to oversee our sustainability initiatives and ensure alignment with our business objectives. RMC is responsible for identifying, assessing, treating, monitoring, and reporting material sustainability matters to Board and Exco as illustrated in Figure 1 below:

Figure 1



SCOPE

This statement covers Group’s business operations within Malaysia (26 locations) and Singapore (1 location) for financial year (“FY”) 2025. Our scope of reporting includes Group’s headquarter in Johor Bahru, branches and distribution centers in Peninsular Malaysia and East Malaysia, as well as one of our subsidiaries in Singapore.

Sustainability Statement (Cont'd)

MATERIAL SUSTAINABILITY MATTERS ("MSMS")

With guidance from MMLR, via on-going stakeholders' engagement (please read together with "Stakeholders' Engagement" below) and analyses of geopolitical, macroeconomic, operational landscapes, we noticed that our findings are in line with common sustainability matters ("CSMs") suggested by Bursa, hence, we adopted said CSMs as our MSMS.

Identified MSMS are crucial to the Group as they bring both direct and indirect impacts to stakeholders' quantitative and qualitative assessments, decisions, and interests as illustrated in Figure 2 below:

Figure 2 - Materiality Matrix



The Group recognizes that these MSMS are essential for the long-term success of our business. Our key initiatives include:

No.	MSMs	Category	Policies and / or Measures	Indicators
0	Financial performance	Governance / Economic	<ul style="list-style-type: none"> Robust distribution network Prioritize growth Seek expansion opportunity continuously 	(a) Number of locations (b) Revenue achieved (c) Number of new subsidiaries acquired <ul style="list-style-type: none"> 26 locations in Malaysia and 1 location in Singapore Revenue tripled since IPO Acquired 2 new subsidiaries in FY2019
1	Anti-corruption	Governance / Economic	<ul style="list-style-type: none"> Established Anti Bribery and Corruption ("ABC"), Code of Conduct ("CoC") and Whistleblowing ("WB") Policies 	(a) Percentage of employees who have received training on anti-corruption by employee category (b) Percentage of operations assessed for corruption related risks (c) Confirmed incidents of corruption and action taken (Refer "ESG Performance Data Table")

Sustainability Statement (Cont'd)

MATERIAL SUSTAINABILITY MATTERS (“MSMS”) (Cont'd)

No.	MSMs	Category	Policies and / or Measures	Indicators
2	Community / Society	Social	<ul style="list-style-type: none"> Committed in giving back to the communities Continue to invest in community programs and other corporate social responsibility initiatives, with the intention to contribute towards the betterment of local communities 	(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer (b) Total number of beneficiaries of the investment in Communities (Refer “ESG Performance Data Table”)
3	Diversity	Social	<ul style="list-style-type: none"> Please read together with “Our People and Workforce” below 	(a) Percentage of employees by gender and age group, for each employee category (b) Percentage of directors by gender and age group (Refer “ESG Performance Data table”)
4	Energy management	Environment	<ul style="list-style-type: none"> Endeavor to optimize energy consumption and reduce carbon footprint 	(a) Total energy consumption (Refer “ESG Performance Data table”)
5	Health and safety	Social	<ul style="list-style-type: none"> Please read together with “Occupational Safety and Health” and “Product Quality and Safety” below 	(a) Number of work-related fatalities (b) Lost time incident rate (c) Number of employees trained on health and safety Standards (Refer “ESG Performance Data Table”)
6	Labour practices and standards	Social	<ul style="list-style-type: none"> Please read together with “Our People and Workforce” below 	(a) Total hours of training by employee category (b) Percentage of employees that are contractors or temporary staff (c) Total number of employee turnover by employee category (d) Number of substantiated complaints concerning human rights violations (Refer “ESG Performance Data Table”)
7	Supply chain management	Social	<ul style="list-style-type: none"> Maintain strong relationships with local suppliers Support local businesses 	(a) Proportion of spending on local suppliers (Refer “ESG Performance Data Table”)
8	Data privacy and security	Governance / Economic	<ul style="list-style-type: none"> Adheres to Personal Data Protection Act 2010 (“PDPA”) 	(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data (Refer “ESG Performance Data Table”)
9	Water	Environment	<ul style="list-style-type: none"> Committed to responsible water usage 	(a) Total volume of water used (Refer “ESG Performance Data Table”)

Sustainability Statement (Cont'd)

STAKEHOLDERS' ENGAGEMENT



The Board recognizes and admits that the contribution and support of the internal and external stakeholders are utmost important for the realization the Group's missions and the Group's long-term business sustainability and excellence. By engaging with all stakeholders, the Board can identify risks and opportunities in the way the businesses of the Group are carried out. During such engagement, the Group can validate the sustainable matters identified by the management of the Group.

During the financial year under review and up to the date of this statement, the stakeholders' engagement was largely led by the respective head of departments / divisions of the business unit whose operations were most impacted or depended by such stakeholder group. The Group engaged with internal and external stakeholders in both formal (for example, formal performance appraisal) and informal (for example, meetings with stakeholders, and informal feedback from stakeholders) manners. Based on the business model employed by the Group and the formal and informal engagements deployed, the management had identified the investors, Board of Directors and employees as internal stakeholder groups while external stakeholder groups are suppliers, customers, media, financial institutions, industry peers, government and local authorities, local community and trade associations.

Stakeholders Group	Engagement Objective(s)	Preferred Engagement Method(s)
Investor	<ul style="list-style-type: none"> To demonstrate financial sustainability Transparent reporting with credible data To increase shareholders' and investors' confidence 	<ul style="list-style-type: none"> Annual report Annual general meeting Shareholder communication Press releases and public announcements
Board of Directors	<ul style="list-style-type: none"> Business Strategy Financial performance 	<ul style="list-style-type: none"> Board meetings General meetings Electronic mail system
Employees	<ul style="list-style-type: none"> To retain competent employees To ensure a safe working environment for employees 	<ul style="list-style-type: none"> Management, operational and committee meetings Annual performance appraisal Briefing and training Memorandums Employee dialogues Electronic mail system
Suppliers	<ul style="list-style-type: none"> To ensure a sustainable supply of quality services and materials To supply high quality products to the market To ensure product quality and safety 	<ul style="list-style-type: none"> Meetings Factory visits
Customers	<ul style="list-style-type: none"> To improve our distribution platform To have competitive pricing To ensure customers' satisfaction 	<ul style="list-style-type: none"> Marketing plans Product promotions Events and training Feedback and surveys
Media	<ul style="list-style-type: none"> To minimize negative reporting and protect the Group image To ensure reporting accuracy 	<ul style="list-style-type: none"> Press releases Company website and social media Meetings
Financial institutions	<ul style="list-style-type: none"> To provide financing to the group 	<ul style="list-style-type: none"> Annual report Press releases and public announcements Meetings
Industry peers	<ul style="list-style-type: none"> To maintaining the business value, price advantage and market share 	<ul style="list-style-type: none"> Regular updates Marketing resurvey
Government and local authorities	<ul style="list-style-type: none"> To ensure full compliance with the relevant laws and regulations 	<ul style="list-style-type: none"> Official Submissions Official Letters Public dialogue involving government officials Public announcements Meetings Electronic mail system
Local community	<ul style="list-style-type: none"> To improve the overall well-being of the community 	<ul style="list-style-type: none"> Social activities Press releases
Trade associations	<ul style="list-style-type: none"> To maintain fair competition To communicate and provide feedback to the trade associations 	<ul style="list-style-type: none"> Trade member meetings Electronic mail system

Sustainability Statement (Cont'd)

OUR PEOPLE AND WORKFORCE

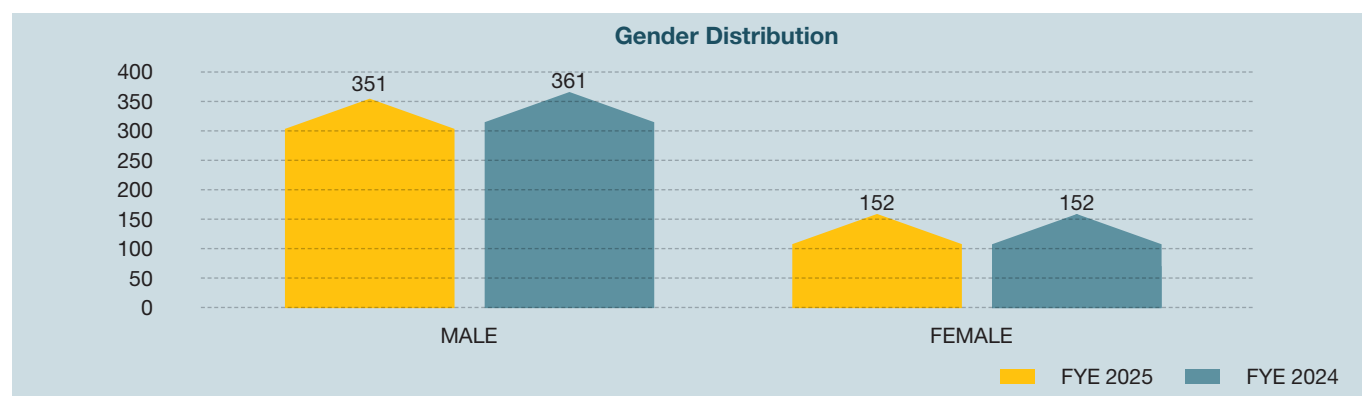
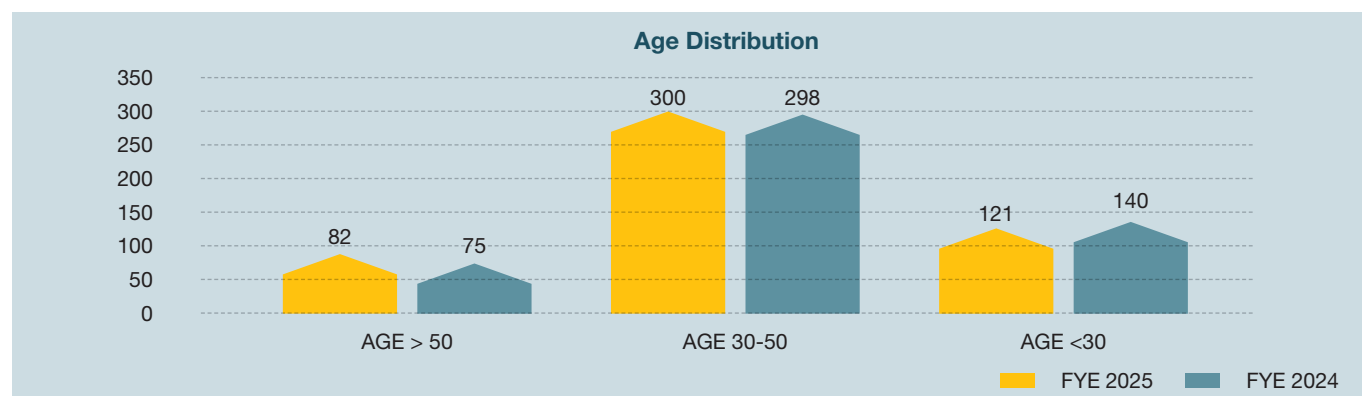


The Board recognizes that the employees are valuable resources and a key business success factor for the Group. The Group's long-term business success and sustainability lies in each employee and it is critical for the Board to treat them equally, provide them with a safe, healthy, and sustainable working environment as well as to develop and foster the growth of the employees. A Formal Employee Handbook is established by the management for the management of human resources in a transparent manner.

To ensure the Group remains competitive and continues to attract the right talents, the Group provides our people with competitive remuneration and benefits that commensurate with duties and responsibilities, on-going opportunities for training and development, and transparent career scale system for long-term career prospects. The Group encourages employees to undergo trainings to support their career development, improve their work knowledge, skills and abilities that are relevant to the current or future job functions.

The Board is committed to build performance-based culture by allowing employees to demonstrate their capabilities, monitor their achievement and growth, and to continuously motivate the employees through the annual performance appraisals. Annual performance appraisals are performed not only for the performance-based remuneration, but also to have effective two-way communication with our people, whereby the past performance and expectations for the future by the management are communicated while the commitment and concerns of our people are conveyed for future monitoring.

The Board is committed in providing equal opportunity for all employees regardless of ethnicity, religion, nationality, age, gender, marital status, or any other characteristics. In addition, equal access and opportunities are provided to our employees in terms of recruitment, training, and retention. This is evidenced by the diversity profile of our people in the Group.



To accord our people with their rights as an employee of the Group, it is the policy of the Group to comply with all applicable laws and regulations for human resource, at the minimum. It is also paramount for the Group to also comply with other relevant laws and regulations, such as Federal Constitution of Malaysia, Minimum Wages Order, Competition Act, Personal Data Protection Act, Minimum Retirement Age Act and Child Act. During the financial year under review and up to the date of this Statement, there was no major legal action taken against the Group.

Formal code of conduct, whistle blowing policy and grievance procedure is included in the employee handbook and communicated to the employees. This enables our employees to report any inappropriate ethical behaviors, conducts and workplace grievances through formal channel to the appropriate level of authority. The confidentiality of the identification of the whistle-blowers is strictly maintained, unless prohibited by law.

Sustainability Statement (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH

A safe and healthy workplace is not only the fundamental right of the employees but also relevant stakeholder groups, such as customers, suppliers, and contractors. It is the priority of the Group to take responsibility to maintain a safe and healthy workplace by minimizing the risk of accidents, injury, and exposure to health hazards.

The safety and health management at workplace is managed by the Safety and Health Committee (made up of representatives from the management and the employees) in compliance with Occupational Safety and Health Act 1994 and Occupational Safety and Health (Safety and Health Committee) regulations 1996. The Committee is guided by a formal policy. The responsibilities include overseeing the due observance of safety and health rules and regulations established at workplace and to promote safe and healthy conducts and environment at workplace.

The safety and health policy formulated by the Safety and Health Committee is included in the Employee Handbook which is approved by the Managing Director. New employees are briefed on such policy, safety and health rules and regulations during induction training to ensure there is sufficient awareness on the importance of workplace safety.

Periodical safety and health inspections are performed by Safety and Health Committee of the Company to ensure that incidents of non-compliance of safety and health rules are identified promptly, and the corresponding corrective actions are implemented in a timely manner. Identification of anticipated hazards and assessment of corresponding risks to safety and health arising from existing or proposed work environment via risk identification, assessment and control are performed by the Safety and Health Committee with planned controls formulated to eliminate hazards or control risks at regular intervals.

Scheduled meetings of the Safety and Health Committee are held at predetermined interval in accordance with the rules and regulations to monitor the trends of accident and immediately investigate near-miss accident, dangerous occurrence, occupational poisoning, or occupational disease which occurs at the workplace. Awareness program for safety and health are established and implement to ensure that all relevant stakeholders are competent to uphold the safety and health during the execution of their duties and responsibilities.

Safety measures, safety notices and indicators are placed at strategic and hazard-prone locations to convey safety messages and potential safety hazard to the employees, customers, suppliers, contractors, and other visitors. Personal protective equipment will be provided to relevant stakeholders with access to our warehouse, testing and packing area. Visitors are required to report to the security personnel for security clearance and visitor registration.

In addition, fire preventive equipment and systems are installed and inspected at regular interval to ensure its functionalities are not compromised over time and clear emergency escape route plans are placed at strategic locations. To ensure our readiness in the event of any unfortunate event, we have established emergency response teams and conduct drills and practice at predetermined intervals to ensure that such unlikely incident can be handled satisfactorily and promptly to minimize damage to the properties, people, and surrounding communities.

During the financial year under review and up to the date of this statement, there was no accident or near-miss accident reported and there was no legal action taken against the Group nor any fine or monetary sanction imposed related to occupational safety and health aspects.

PRODUCT QUALITY AND SAFETY

In line with the Group's Mission Statement to relentlessly focus on value, quality and comprehensive automotive markets parts while seeking to deliver the best value products to our customers, it is paramount that our customer can safely and confidently rely on our products installed into their vehicles.

One of the Company's subsidiary, Solid Corporation Sdn. Bhd. is ISO 9001:2015 certified, an international standard that specifies the requirements for a quality management system (QMS). The Group ensure the safety and the quality of the products through some of the following actions:

- Sourcing of quality products from reputable and reliable supplier via performance of Supplier Evaluation, product testing and performance of annual appraisal for active suppliers
- Where applicable, source for products that are safe for the environment with no health hazards (e.g. brake pads that are asbestos free)
- In-house reliability laboratory for quality control
- Product Traceability for some of our products through engraving/markings to enable the tracking of product batch and origin
- Obtain feedback from customers to monitor on customer satisfaction

ASSURANCE

This statement has not been subjected to an assurance process.

Sustainability Statement (Cont'd)

PERFORMANCE DATA (BURSA ESG REPORTING PLATFORM)

The following table provides a summary of our FY2025 ESG performance data across all common sustainability matters, as per the requirements and format prescribed by Bursa Malaysia.

Indicator	Measurement Unit	2024	2025
Bursa (Anti-Corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	60.00*	86.49
Executive	Percentage	8.63*	76.39
Non-executive/Technical Staff	Percentage	1.44*	63.24
General Workers	Percentage	0	53.85
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0	0
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	1.34*	2.7
Management Between 30-50	Percentage	65.33*	60.81
Management Above 50	Percentage	33.33*	36.49
Executive Under 30	Percentage	21.58*	18.06
Executive Between 30-50	Percentage	62.59*	65.97
Executive Above 50	Percentage	15.83*	15.97
Non-executive/Technical Staff Under 30	Percentage	33.81*	31.62
Non-executive/Technical Staff Between 30-50	Percentage	56.12*	56.62
Non-executive/Technical Staff Above 50	Percentage	10.07*	11.76
General Workers Under 30	Percentage	60.00*	53.85
General Workers Between 30-50	Percentage	40.00*	46.15
General Workers Above 50	Percentage	0	0
Gender Group by Employee Category			
Management Male	Percentage	80.00*	72.97
Management Female	Percentage	20.00*	27.03
Executive Male	Percentage	52.52*	53.47
Executive Female	Percentage	47.48*	46.53
Non-executive/Technical Staff Male	Percentage	74.46*	76.1
Non-executive/Technical Staff Female	Percentage	25.54*	23.9
General Workers Male	Percentage	96.00*	100
General Workers Female	Percentage	4.00*	0

Sustainability Statement (Cont'd)

PERFORMANCE DATA (BURSA ESG REPORTING PLATFORM) (Cont'd)

Indicator	Measurement Unit	2024	2025
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	82.35	82.35
Female	Percentage	17.65	17.65
Under 30	Percentage	5.88	5.88
Between 30-50	Percentage	58.82	58.82
Above 50	Percentage	35.30	35.30
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	1340.39	1100.73
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.13	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	77	197
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	1,922*	1728
Executive	Hours	986*	1414
Non-executive/Technical Staff	Hours	1,259*	1529
General Workers	Hours	431*	722
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.92	3.38
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	7*	4
Executive	Number	15*	20
Non-executive/Technical Staff	Number	54*	61
General Workers	Number	15	18
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	35.01*	30.88
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	14.33*	10.16

(*) Restated data

Note:

The data for FY 2024 is restated due to changes in classification and grouping.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Solid Automotive Berhad (“Solid Automotive” or “the Company”) is fully committed to ensure that good corporate governance practices are adopted throughout the Company and its subsidiaries (“the Group”). The Board supports the Principles and Practices of good corporate governance practices (including the intended outcomes) as promulgated by the Malaysian Code of Corporate Governance 2021 (“MCCG”) to direct and manage the business and affairs of the Group towards promoting business and corporate governance with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders.

The Board is pleased to set out the manner in which the Company has applied the Principles and Practices of good corporate governance practices (including the intended outcomes) as promulgated by the MCCG and the extent of compliance with the principles of MCCG and compliance with paragraph 15.25 and Practice Note 9 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Board acknowledges the importance of achieving best practice in its standard of business performance and corporate accountability and is committed to subscribe to the recommendations of the MCCG. The CG Report is available for download from the Company’s website at www.solidautomotive.com.

The following disclosure statements provides an overview of the Company’s application of the Principles set out in MCCG that has been in place throughout the financial year ended 30 April 2025, except as disclosed otherwise.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is responsible for the overall performance of the Group and focuses mainly on the strategic management, performance measurement and monitoring, enterprise risk management and internal controls, standards of conduct, corporate governance and sustainability, effective communication with shareholders and investors and key business issues and decisions. The Board comprises of a mix of directors who are entrepreneurs and highly knowledgeable in the Group’s business industry and in areas including business management, finance and accountancy, and whose combined skills and knowledge enables the Board to function effectively in discharging its fiduciary and leadership functions.

The Board is guided by the Board Charter approved by the Board and led by an Independent Non-Executive Chairperson to ensure its effectiveness. Together with other Directors, the Chairperson leads the Board in the discussion on the strategies and policies recommended by the Management. A summary of the responsibilities of the Chairperson is disclosed in Practice 1.2 of CG Report.

The Board has established the Group’s Board Charter and relevant board policies and the Managing Director, with the assistance of the Management, is responsible for the implementation of operating policies and procedures that are in line with the Group’s Board Charter and relevant board policies.

The Board assumes amongst others, the following roles and responsibilities: -

1. Establish and review the strategic direction of the Group;
2. Oversee the conduct and performance management of the business of the Group;
3. Set the tone from the Top;
4. Identify principal risks faced by the Group and ensure the implementation of appropriate controls and systems to monitor and manage these risks;
5. Succession planning and performance appraisal of the Board and Senior Management;
6. Overseeing the development and implementation of a shareholders’ communication policy;
7. Review the adequacy and the integrity of internal control systems and management information systems, including systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines; and
8. Review corporate governance compliance.

The roles and responsibilities of the Board and the application of the MCCG’s practice is disclosed in Practice 1.1 of the CG Report.

Aside from the core responsibilities listed above, significant matters required deliberation and approval from the Board are clearly defined by the Board in the Board Charter as Matters Reserved for the Board for consideration and approval during the Board’s meeting.

The Board has delegated specific duties to the Board Committees which operate within a clearly defined Terms of Reference approved by the Board.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

To ensure that there is a balance of power and authority within the Board, the position of the Chairperson and the Managing Director is separated and there is a clear division of responsibility between the Chairperson who is an Independent Non-Executive Director and the Managing Director who is an Executive Director. The Independent Non-Executive Chairperson is responsible for the governance, orderly conduct and effectiveness of the Board while the Managing Director is responsible for managing the Group's business operations and implementation of policies and strategies approved by the Board.

The Independent Non-Executive Directors play a crucial role in ensuring that the strategies proposed by the management are properly deliberated and reviewed, and to ensure that the interest of the shareholders, including minority shareholders are given due consideration in the decision-making process.

The Board has not nominated a Senior Independent Non-Executive Director whom the shareholders and other stakeholders can address directly or to chair the Nomination Committee as the Independent Non-Executive Chairperson can be directly addressed by the shareholders and other stakeholders and possesses the required skills, knowledge and experience to lead the Nomination Committee in ensuring an effective and well-balanced board composition.

All board members shall notify the Chairperson of the Board before accepting any new directorship outside the Company, including an indication of the time that will be spent on the new appointment.

All Directors have confirmed that their directorship in listed companies do not exceed 5 (five) to meet the expectation on time commitment.

The Board is assisted by a qualified Company Secretary and the details of the Company Secretary are disclosed in Practice 1.5 of CG Report.

- **Board Charter**

The Board is guided by a formal Board Charter approved by the Board. The Board Charter sets out the governance structure of the Board and the Management as well as composition, roles, functions, responsibilities and authorities of the Board and the Board Committees of the Company, including the roles and responsibilities of the Independent Non-Executive Chairperson, Chairperson of the Board and the Managing Director, specific responsibilities and matters reserved for the Board, Independent Non-Executive Directors and their tenure's requirement, Board proceedings and activities, financial reporting responsibilities, unrestricted rights to access to information and independent advice, Board's evaluation and performance, Board's remuneration, Directors' training and continuing education, investors' relations, corporate disclosure, code of conduct and sustainable management.

The Board regularly reviews the Board Charter as and when required. The latest Board Charter is available on the Company's website at www.solidautomotive.com/investor_relations.

- **Code of Conduct, Whistle-blowing Policy and Anti-Bribery & Corruption Policy**

The Board is fully committed to the highest standards of integrity, transparency and accountability in the conduct of the Group's business and operations to ensure business sustainability through their conduct, individually or collectively, by way of the Code of Conduct approved by the Board that is applied to every employee, customer and vendor worldwide. The Code of Conduct focuses on the key principles of respecting others, serving our customers with integrity, avoiding conflict of interest, preserving confidentiality and privacy, effective channel of communication and corporate citizenship.

For employees, the acceptable conduct expected from them is stated in the Terms and Conditions of Employment established by the Group and briefings are conducted with them during induction training.

The Board has established a formal Whistle-Blowing Policy to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Company may be exposed.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

- Code of Conduct, Whistle-blowing Policy and Anti-Bribery & Corruption Policy (Cont'd)**

The formal Whistle-Blowing Policy provides a mechanism for employees and other interested parties to confidentially bring to the attention of the members of the Audit Committee any concerns related to matters covered by the Group Code of Conduct, legal issues and financial, accounting or audit matters. The policy is also designed in such a way that any improper conduct (misconduct or criminal offence) is reported to representative of the Audit Committee directly. The whistle-blower will be accorded with protection of confidentiality of identity and be protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed, to the extent reasonably practicable.

The formal Anti-bribery & Corruption policy aims to prevent corruption by establishing clear guidelines, promoting ethical behaviour, and ensuring compliance with anti-bribery laws. It safeguards the organization's reputation, builds trust, and fosters a culture of integrity while mitigating legal risks and promoting fair competition in business practices.

At the same time, the Board has in accordance with the requirements of Paragraph 15.29 of Listing Requirement of Bursa Securities adopted the Anti-Bribery and Anti-Corruption Policy, to prevent corrupt practices, and to provide a measure of assurance and a defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and Malaysian Anti-Corruption Commission (Amendment) Act 2018.

The Code of Conduct, Whistle-blowing policy and Anti-Bribery & Corruption Policy are published on the Company's website at the Investor Relations section at www.solidautomotive.com.

To further enhance the ethical value throughout the Group, a formal Fraud Policy (reviewed by the Audit Committee) had been put in place by the Board to manage the risk of fraud within the Group.

Please refer to Practice 3.1 of CG Report for details.

- Board Meetings**

The Board meets regularly to perform its main function on the development and implementation of strategic plans, formulation of policies, overseeing the conduct and operations of the businesses of the Group, succession planning and ensuring appropriateness of internal control and effectiveness of the risk management. The Board plans to meet at least four (4) times a year at quarterly intervals, with additional meetings convened when urgent and important decisions are required to be made between the scheduled meetings and the attendance of each Director at the Board Meetings are as follows:

Name of Members	Designations	No. of Meetings Attended
Mr. Chai Yee Man	Chairperson, Independent Non-Executive Director	5/5
Ms. Tan Lay Beng	Independent Non-Executive Director	5/5
Ms. Tan Siew Peng	Independent Non-Executive Director	5/5
Mr. Ker Min Choo	Managing Director	4/5
Mr. Ker Keddy	Executive Director	5/5
Mr. Ker Hong	Executive Director	4/5
Mr. Ker Shiloong	Executive Director	5/5

All meetings of the Board are duly recorded in the Board minutes by the Company Secretary who attended all the Board Meetings of the Company. The Company Secretary ensures that all Board meetings are properly convened and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and maintained in the statutory register at the registered office of the Company.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

- **Supply of Information**

The Board members in their individual capacity have unrestricted access to complete information on a timely basis in the form and quality necessary for the discharge of their duties and responsibilities. Prior to each Board meeting, all Board members are furnished with the board paper normally no later than seven (7) days before the meeting to enable them to have sufficient time in obtaining a comprehensive understanding of the issues to be deliberate.

Besides direct access to Senior Management, external independent professional advisers are also available to render their independent views and advice to the Board, whenever deemed necessary and in appropriate circumstances, at the Company's expense.

The Directors also have access to the advice and services of the Company Secretary who is responsible for ensuring that the Board's procedures are adhered to.

Please refer to Practice 1.6 of CG Report for details of the Board's proceedings on meeting materials and supply of information.

- **Composition of the Board**

The Board currently has seven (7) members comprising four (4) Executive Directors (including the Managing Director) and three (3) Independent Non-Executive Directors. The profile of each Director is presented on pages 4 to 6 of this Annual Report. The composition of Independent Non-Executive Directors of at least 2 directors or one third (1/3) of the Board are independent, whichever is the higher is in compliance with the minimum prescribed in the MMLR to ensure that there is sufficient independent element in the Board to provide the necessary check and balance within the Board. In the event of any vacancy in the Board resulting in non-compliance with the minimum requirement of the number of Independent Directors prescribed in the MMLR, the Company is to fill the vacancy within three (3) months.

It is the responsibility of the Board to ensure that all members of the Board possess the necessary leadership experience, skill and diverse background, integrity and professionalism to discharge their duties and responsibilities diligently and effectively and are subjected to performance appraisals annually.

While the above composition departs from Practice 5.2 of MCCG (which requires at least half of the Board comprises of independent non-executive directors), the Board is of the opinion that, through formal performance appraisals conducted on the Board, the Board Committees and the independence and objectivity of the Independent Non-Executive Directors, the Independent Non-Executive Directors are able to bring the required independent and objectivity elements to the Board and possess the requisite range of skills, knowledge and experiences in relevant fields required to discharge their duties and responsibilities as independent non-executive directors. The Board is also of the opinion that the Independent Non-Executive Directors had demonstrated their independence and objectivity during the Board's and Board committees' proceedings and adequate independence and objectivity within the Board have been maintained. The Board will continue to monitor and review the adequacy and effectiveness of the independent and objectivity element within the Board from time to time to ensure its adequacy and effectiveness. The position of the Chairperson of the Board, an Independent Non-Executive Director who is responsible for the governance and orderly conduct and effectiveness of the Board and position of the Managing Director are separated to further enhance the independent element within the Board.

Please refer to Practice 5.2 of CG Report for further details.

- **Board Diversity**

In promoting diversity and to mitigate the risk of population ageing and new generation of workforce, the Board is promoting the right mix of gender, ethnic and age group at all level of the Group and the composition of the Board to mitigate such risks. Currently, the Board does not have a formal gender diversity policy. Whilst the Board supports gender diversity, the Board firmly believes in recruiting and retaining the right talent for every position, regardless of gender, and taking into account the requisite knowledge, skill set, and experience required. The Board comprises of seven (7) members, two (2) of whom are female directors.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

- **Board Diversity (Cont'd)**

As at the date of this annual report, none of the Directors holds directorships in more than five (5) public listed companies as required under paragraph 15.06 of MMLR.

Please refer to Practice 5.5 of the CG Report for the detailed disclosure on the Boardroom Diversity and Practice 5.9 and 5.10 of the CG Report for the detailed disclosure on the gender diversity.

- **Independent Non-Executive Directors**

Independence of the candidates to act as Independent Non-Executive Director is assessed by the Nomination Committee prior to their appointment based on formal nomination and selection process and the results of the review are reported to the Board for consideration and decision.

On an annual basis, all Independent Non-Executive Directors are subjected to independence and objectivity assessment based on prescribed criteria via Independent Directors' Self-Assessment Form in line with the Corporate Governance Guide issued by Bursa Securities on their independence and objectivity, for the Nomination Committee's review and recommendation to the Board to form an opinion on the independence and objectivity of the Independent Non-Executive Directors. Based on the above assessment performed for the financial year ended 30 April 2025, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors, and their ability to bring independent and objective judgement for board deliberations.

The tenure of an Independent Non-Executive Director, as stated in the Board Charter, shall not exceed a cumulative term of 9 years. If the board intends to retain an independent director beyond nine years, it should provide justification and seek the shareholders' approval through a two-tier voting process at the Annual General Meeting.

As at the date of this Annual Report, there is one (1) director who has served for more than nine (9) years.

Please refer to Practice 5.3 of CG Report for further details.

- **Appointment to the Board and Re-election of Directors**

It is the policy of the Board that highly qualified candidates with sufficient and relevant knowledge, skills and competency are sought to serve as members of the Board to effectively discharge its responsibilities and duties and contribute to the governance of the Group while at the same time diversity is being upheld within the Board should such a potential candidate be available.

All Board members who are newly appointed are subject to retirement at the subsequent Annual General Meeting of the Company. All Directors (including the Managing Director) will retire at regular intervals by rotation at least once every three years and shall be eligible for re-election.

The Board intends to put in place a formal policy to diversify its dependency on existing board members, management or major shareholders for the nomination of new director by seeking recommendations by other professionals and open search. While it is the intention of the Nomination Committee and the Board to have independent sources for the identification of candidates for appointment of directors, the existing Non-Executive members of the Board of the Company were recommended by the Board member(s) and existing shareholder(s) of the Company.

Please refer to Practice 5.5 and 5.6 of CG Report for the details on the nomination and election process of the directors.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

- **Performance Assessment and Evaluation of Board and Senior Management**

On an annual basis, the Company Secretary circulates to each director with the relevant assessment and review forms/questionnaires with sufficient time for all directors to complete in advance of the meeting of the Nomination Committee and the Board in order for the Company Secretary to collate the evaluations results for the Nomination Committee to review and report to the Board.

The following evaluations were performed for the financial year under review: -

1. The Board Performance Evaluation via Board and Board Committee Evaluation Form;
2. Individual directors' self-evaluation via Directors'/Key Officers' Evaluation Form on the fit and proper, contribution and performance and calibre and personality of individual directors;
3. Self and peer review of the performance, knowledge, competency and skills of fellow directors by individual directors via Board Skill Matrix Form;
4. Performance evaluation of board committees, i.e. the Audit Committee, Nomination Committee, Remuneration Committee and Option Committee via Board and Board Committee Evaluation Form;
5. Self and peer evaluation by members of Audit Committee via Audit Committee Member's Self and Peer Evaluation Form and Audit Committee Evaluation; and
6. Independence and objectivity assessment of individual Independent Non-Executive Directors based on results of self-assessment conducted.

With the above evaluations, the Board, through the Nomination Committee, reviewed and assessed its required mix of skills and experience and other qualities, including core competencies which directors should bring to the Board, and the size and composition of the Board to ensure that it has the appropriate mix of skills and competencies to lead the Group effectively.

Based on the above evaluations conducted for financial year ended 30 April 2025, the Board, through reports by the Nomination Committee, was satisfied with the composition, performance and effectiveness of the Board, Board Committees and directors.

Please refer to Practice 6.1 of CG Report for the details on the performance evaluation of the Board, Board Committee (including the Audit Committee), the contribution of each individual Director, and independence assessment of Independent Non-Executive Directors.

- **Director's and Key Senior Management's Remuneration**

The Board assumes the overall responsibility to establish and implement effective remuneration review practice for the members of the Board in order to attract, retain and motivate directors positively in pursue of the medium to long term objectives of the Group and are reflective of their experience and level of responsibilities. The Board had put in place a formal Board Remuneration Policy as guidance for the Remuneration Committee in its review and consideration of proposed remuneration package of the members of the Board. Major components of the remuneration package for executive directors and non-executive directors are identified for review based on criteria established in the formal policy.

The Remuneration Committee is responsible for reviewing and recommending to the Board the remuneration packages of the Executive Directors and Non-Executive Directors. None of the Directors participated in any way in determining their individual remuneration. The Board as a whole determines the remuneration of the Non-Executive Directors. Individual directors are abstained from deliberation and approval of his own remuneration.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

- Directors' and Key Senior Management's Remuneration**

The total remuneration of the Directors for the financial year ended 30 April 2025 are set out below in Ringgit Malaysia (RM):-

Director	Fees	Salaries, Bonuses and Other Benefits	Defined Contribution Plan	Total
Mr. Chai Yee Man	55,000	-	-	55,000
Ms. Tan Lay Beng	50,000	-	-	50,000
Ms. Tan Siew Peng	45,000	-	-	45,000
Ms. Ker Min Choo	45,000	820,485	77,143	942,628
Mr. Ker Keddy	45,000	575,515	67,251	687,766
Mr. Ker Hong	45,000	634,327	92,667	771,994
Mr. Ker Shiloong	45,000	558,807	56,942	660,749

Remuneration of Key Senior Management

For the financial year ended 30 April 2025, the aggregate total remuneration (in the band of RM50,000) of the top four (4) Key Senior Management personnel, who are not Directors of the Company, which comprises the Chief Operating Officers and Deputy Chief Operating Officers are as follows:

Remuneration bands per annum	Number of Key Management
RM400,001 to RM450,000	2
RM500,001 to RM550,000	1
RM600,001 to RM650,000	1

The MCCG has recommended that the Company should disclose on a named basis, the detailed remuneration of the top four (4) Key Senior Management. The Board has considered and is of the opinion that the disclosure on the remuneration of the Key Senior Management is not on a named basis as it is imperative for the Company to maintain employees' remuneration private and confidential and avoid discontentment among employees and talent retention issues.

The Company will consider disclosing the remuneration of individual key senior management in detail as and when it is deemed appropriate.

- Directors' Training**

As per the Board Charter, the Board is assigned with the responsibility to ensure Directors update their knowledge and enhance their skills through attending training programs.

All Executive Directors have been with the Company for several years and are familiar with their duties and responsibilities as Directors. In addition, any newly appointed directors will be given briefings and orientation by the Executive Directors and Senior Management of the Company on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as Directors.

All the Directors have completed the Mandatory Accreditation Program prescribed by Bursa Securities and they are mindful that they should receive appropriate continuous training and to attend seminars and briefings in order to broaden their perspective and to keep abreast with new developments for the furtherance of their duties.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

- Directors' Training (Cont'd)**

During the financial year ended 30 April 2025, all Directors received regular briefings and updates on the Group's business and operations as well as being updated on new regulations and statutory requirements.

During the financial year under review, all Directors have attended training(s) as shown in the following table: -

Name of Directors	Seminars and Briefings Attended
Mr. Ker Min Choo	• E- Invoice Implementation in Malaysia
Mr. Ker Keddy	• E- Invoice Implementation in Malaysia
Mr. Ker Shiloong	• E- Invoice Implementation in Malaysia
Mr. Ker Hong	• E- Invoice Implementation in Malaysia
Mr. Chai Yee Man	• E- Invoice Implementation in Malaysia
Ms. Tan Lay Beng	• AI Master class • Townhall • E- Invoice Implementation in Malaysia
Ms. Tan Siew Peng	• Decoding Greenhouse Gas Emissions Accounting :Scope 1, Scope 2 and Scope 3 • Green Gold : Dive Into Climate Finance Certification • Malaysia E-Invoicing : A Comprehensive Guide with Post-Implementation Insights • AOB Conversation with Audit Committees • E-invoice Implementation for Property Developers, Contractors and Related Industries • MFRS Updates 2024 • MFRS 18 Presentation and Disclosure in Financial Statements • Virtual Tax Conference 2025 : Tackling Practical Problems Faced by Taxpayers

It is the Board's commitment to ensure that all Directors are equipped with the right level of knowledge and skills through structured and unstructured training in order for them to fulfil their fiduciary duties and responsibilities and all directors shall continue to undergo relevant training programs and seminars as and when required and from time to time to update their knowledge and skills.

- Board Committees**

In discharging its fiduciary duties, the Board has delegated specific duties to three (3) board committees (Audit Committee, Remuneration Committee, Nomination Committee). The Committees have the authority to examine particular issues under their duties and report to the Board with their recommendation. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

All committees have written terms of references and the Board receives reports on their proceedings and deliberations. The Chairperson of the respective committees will brief the Board on the matters discussed at the committee meetings and minutes of these meetings are circulated at the Board meetings.

- Audit Committee**

The terms of reference, the number of meetings held and activities carried out during the financial year and the attendance of each member can be found on pages 34 to 38 of the Audit Committee Report.

There is no change in composition of the Audit Committee during the year under review.

Please refer to Practice 9.1, 9.2, 9.3, 9.4 and 9.5 of CG report on disclosure in relation Audit Committee.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

• Nomination Committee

The Nomination Committee comprises exclusively of Independent Non-Executive Directors, which meet the requirement under MMLR. The Nomination Committee is guided by written terms of reference duly approved by the Board with rights, authorities and responsibilities. The Nomination Committee is chaired by the Independent Non-Executive Director.

The Nomination Committee's Terms of Reference are published in the Investor Relation section of the Company's website at www.solidautomotive.com.

The composition of the Nomination Committee and the attendance record of members for meetings held during the financial year ended 30 April 2025 are as follows: -

Name of Members	Designations	No. of Meetings Attended
Mr. Chai Yee Man	Chairperson	2/2
Ms. Tan Lay Beng	Member	2/2
Ms. Tan Siew Peng	Member	2/2

During the financial year ended 30 April 2025, the Nomination Committee conducted evaluation/review of the performance of the Board, Board committees, Audit Committee and its members, performance/knowledge/competency/skills possessed by each individual director (including the Group Financial Controller). the independence assessment of independent non-executive directors based on the pre-determined processes and evaluation criteria as well as the training needs of the individual directors. The Nomination Committee reported the results of all evaluations to the Board for review and deliberation to enable effective actions to be formulated and implemented for the proper and effective functioning of the Board and its committees.

During the financial year, the Nomination Committee also reviewed and assessed the retirement and re-election of Directors pursuant to the Company's Articles of Association and reported to the Board for its review and decision. There is no change in composition of the Nomination Committee during the year under review.

Please refer to Practice 5.5, 5.6., 5.7, 5.8 and 6.1 of the CG Report for details on the Nomination Committee and its activities.

• Remuneration Committee

The Remuneration Committee assists the Board in reviewing and recommending appropriate remuneration policies and package for Directors so as to attract, retain and motivate the Directors. The Remuneration Committee is guided by formal terms of reference. Further disclosure on the Remuneration Committee (and its activities) and the Board Remuneration Policy are disclosed in Practice 7.1 and 7.2 of CG Report.

The Remuneration Committee is led by an Independent Non-Executive Director and comprises exclusively of Independent Non-Executive Directors. The attendance record of the members for meetings held during the financial year ended 30 April 2025 are as follows: -

Name of Members	Designations	No. of Meetings Attended
Ms. Tan Siew Peng	Chairperson	2/2
Ms. Tan Lay Beng	Member	2/2
Mr. Chai Yee Man	Member	2/2

The details of the members of the Remuneration Committee are set out in the Profile of Directors section of this Annual Report.

There is no change in composition of the Remuneration Committee during the year under review.

The full details of the Remuneration Committee's Terms of Reference are published in the Investor Relation section of the Company's website at www.solidautomotive.com.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

- **Economic, Environment and Social**

In order to promote sustainability in the conduct of the business of the Group, one of the business strategies adopted by the Board is to ensure the economic, environmental and social aspects of the businesses undertaken are well taken care of. The Group upheld the principle to maintain effective sustainability management continuously in order to contribute positively to the socio-economic development of the communities, to promote environmental friendly business practices and to uphold good governance practice.

Please refer to the Sustainability Statement for the governance structure and process employed as well as the identification, assessment, management and reporting of sustainability matters during the financial year under review and up to the date of this Annual Report.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit Committee is tasked with the oversight role on the effectiveness of Audit and Risk Management. The composition and terms of reference of Audit Committee, the number of meetings held, attendance, and activities carried out during the financial year are set out in the Audit Committee Report on pages 34 to 38 of this Annual Report and Practice 9.1 to 9.5 of CG Report.

- **Relationship with External Auditors**

The Group maintains a close and transparent relationship with its External Auditors and outsourced Internal Audit Function in seeking professional advice and ensuring compliance with the company policies and procedures, approved accounting standards and relevant regulations in Malaysia.

The role and responsibilities of the Audit Committee in relation to the External Auditors and outsourced Internal Audit Function are prescribed in the Audit Committee's Terms of Reference.

The engagement of the External Auditors is governed by the engagement letter with terms of engagement which includes, amongst others, the scope of coverage, the responsibilities of the External Auditors, confidentiality, independence and the proposed fees reviewed by the Audit Committee and its recommendation to the Board.

The Audit Committee meets with the External Auditors at least once a year to discuss their Audit Plans, their audit findings and other special matters that require the Audit Committee's attention and the financial statements. During the financial year under review, the Audit Committee met once privately with the External Auditors prior to the commencement of the audit and at the conclusion of the audit without the presence of the Executive Directors and management to encourage free exchange of information and views and for the External Auditors to freely express their opinion.

The oversight of the External Auditors is enhanced by the conduct of annual assessment of the suitability independence and objectivity of the external auditors by the Audit Committee via the External Auditor Performance and Independence Checklist which results are subsequently reported to the Board. The External Auditors of the Group confirmed to the Audit Committee on their independence and objectivity in relation to the audit work to be performed and their commitment to communicate to the Audit Committee on their independence and objectivity status on an ongoing manner.

The Audit Committee also considered the nature of other non-audit services provided during the year by the External Auditors and the quantum of the fees as tabulated in the table below and was satisfied that the provision of these services did not in any way compromise their independence.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

• Relationship with External Auditors (Cont'd)

The audit and non-audit fees incurred for services rendered by the External Auditors and their affiliated firms and companies to the Company and its subsidiaries for the financial year under review were as follows:-

	Company (RM)	Group (RM)	Description
Audit Fees	44,000	266,856	Statutory audit
Non-Audit Fees	44,000	121,693	Tax return and compliance, Review of Statement on Risk Management and Internal Control, Due Diligent
Total	88,000	388,549	

• Risk Management

The Board recognises the importance of Risk Management in pursuing its company's objective and has in place a formal risk management framework. The details of the framework and risk management process is disclosed in the Statement on Risk Management and Internal Control on pages 39 to 44 of this Annual Report.

• Internal Control & Internal Audit Function

The Board recognises the importance of sound internal control for good corporate governance. The Internal Audit Function of the Group is carried out by an outsourced internal audit firm, reporting directly to the Audit Committee and provides the Audit Committee with the assurance it requires on the adequacy and effectiveness of the Group's internal control system.

The Internal Control System and Internal Audit Function of the Group is explained in greater detail in the Statement on Risk Management and Internal Control on pages 39 to 44 of this Annual Report and Practice 11.1 & 11.2 of the CG Report.

• Uphold Integrity in Financial Reporting

The Directors strive to ensure that a balanced, clear and meaningful assessment of the financial position and prospects of the Group are made in all disclosures to shareholders, investors and the regulatory authorities.

All financial statements, both annual financial statements to shareholders and quarterly announcement of financial results, were reviewed by the Audit Committee and approved by the Board to ensure accuracy, adequacy and completeness of information and compliance with relevant accounting standards and regulations prior to the release to regulatory authorities.

A summary of the work carried out by the Audit Committee in the discharge of its functions and duties during the financial year is set out in the Audit Committee Report on pages 34 to 38 of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

• Corporate Disclosure and Stakeholders Communication

The core communication channel with the stakeholders employed by the Company is the announcements made through Bursa Securities and it is the Company's procedure that all material announcements to be made through Bursa Securities are to be approved by the Board, prior to its release. The Board observes all disclosure requirements as laid down by MMLR and Capital Markets and Services Act 2007 in order to have all material events and information to be disseminated publicly and transparently on a timely basis to ensure fair and equitable access by all stakeholders, without selective disclosure of such information to specific individual or groups. The corporate disclosure by the Company is further enhanced by way of the Chairperson of the Board, Managing Director and Executive Director/ Chief Financial Officer assuming the role of authorized speakers for the Company during the General Meetings to ensure timely, factual, accurate and consistent disclosure.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

- **Corporate Disclosure and Stakeholders Communication (Cont'd)**

To ensure that communications to the public are timely, factual, accurate and complete, the Board has adopted a Corporate Disclosure Policy which set out the policies and procedures for the disclosure of material information of the Group.

The Annual Report and quarterly interim financial reports are the main communication tools between the Company and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group.

Please refer to Practice 12.1 of CG Report on further disclosure of stakeholders' communication.

- **Encourage shareholders' participation at general meetings**

The Annual General Meeting is the principal forum for dialogue with shareholders. The shareholders are given the opportunity and are encouraged to participate in general meetings of the Company. Notice of the Annual General Meeting and Annual Reports are sent out to shareholders at least 21 days before the date of the meeting in compliance with Companies Act 2016 and MMLR.

Adequate time is given during general meetings to encourage and allow the shareholders to seek clarification or ask questions on pertinent and relevant matters. The External Auditors are also present at Annual General Meeting to provide their professional and independent clarification on issues and concerns that may be raised by the shareholders during the meeting.

- **Poll Voting**

Pursuant to the Paragraph 8.29A(1) of the MMLR of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of general meetings is to be voted by poll. All resolutions put forth for shareholders' approval at the 13th Annual General Meeting to be held are to be voted by way of poll voting.

- **Leverage on Information Technology**

In order to promote transparency and thoroughness in public dissemination of material information, the Company's website incorporates an "Investor Relations" section which provides all relevant information on the Company and is accessible by the public via www.solidautomotive.com. The website enhances the Investor Relations function by including all the announcements made by the Company, annual reports of the Company and relevant Board Charter and policies as well as terms of reference of relevant Board Committees established and implemented by the Board for the public to access. Furthermore, contact details of the personnel in-charge of investor relations are provided in "Investor Relations" section of Company's website to which concerns or request of any investor can be forwarded to.

Corporate Governance Overview Statement (Cont'd)

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared in accordance with the provisions of the Malaysian Companies Act, 2016 and applicable approved accounting standards of Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 April 2025, and of the results of their operations and cash flows for the financial year ended on that date.

In preparing the annual audited financial statements, the Directors have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgments and estimates that are reasonable and prudent; and
- prepared the annual audited financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE STATEMENT

- **Material Contracts with Related Parties**

The Company and its subsidiaries did not enter into any material contract and/or loan with its directors and/or its chief executive who is not a director or major shareholder.

- **Employees' Share Option Scheme**

During the financial year under review, there was no Employees' Share Option Scheme ("ESOS") which was approved by the Company.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The key focus areas of the Board on corporate governance practices during the financial year under review were to enhance the existing corporate governance practices by updating Board Charter, relevant Board Committees' terms of reference and Board's policies to take into account changes resulting from the revamped Companies Act and MCCG.

The Board will continue to strengthen the compliance of the corporate governance practices as established in Board Charter and relevant Board Committees' terms of reference and Board's policies as well as the independent elements within the Board such that the independent non-executive directors make up at least half of the composition of the Board.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee comprises the following members:-

Chairperson	: Ms. Tan Lay Beng (Independent Non-Executive Director)
Members	: Mr. Chai Yee Man (Independent Non-Executive Director) Ms. Tan Siew Peng (Independent Non-Executive Director)

The composition of the Audit Committee is in compliance with paragraph 15.09 of the Main Market Listing Requirements (“MMLR”) of the Bursa Malaysia Securities Berhad, where the Audit Committee consists of three (3) Independent Non-Executive Directors. The Chairperson and one (1) of the members of the Audit Committee, namely Ms. Tan Lay Beng and Ms. Tan Siew Peng, are members of the Malaysian Institute of Accountants which fulfils the requirements under paragraph 15.09(1)(c)(i) and paragraph 7.1 of Practice Note 13 of MMLR. No alternate director has been appointed as a member of the Audit Committee.

In compliance with Practice 9.1 of the Malaysian Code on Corporate Governance (“MCCG”), the Audit Committee Chairperson is not the Chairperson of the Board of Directors of the Company.

The Audit Committee meets the requirement under Step Up Practice 9.4 of MCCG whereby all members of the Audit Committee (including the Chairperson) are independent directors.

The profile of the members is shown on pages 4 to 6 of this Annual Report.

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee is available for download on the Company’s website at the “Investors Relations” section of www.solidautomotive.com.

MEETINGS

During the financial year ended 30 April 2025, the Audit Committee held five (5) meetings. Details of each member’s meeting attendances are as follows: -

Name of Members	No. of Meetings Attended
Ms. Tan Lay Beng	5/5
Mr. Chai Yee Man	5/5
Ms. Tan Siew Peng	5/5

The meetings were conducted with sufficient quorum under the Audit Committee’s Term of Reference.

The meetings were appropriately structured through the use of agendas, which were distributed to the members, together with the minutes of meetings and relevant papers and reports at least seven (7) days before the meetings with sufficient notification and time allowed for review by the members of the Audit Committee for the proper discharge of their duties and responsibilities and compliance with the MMLR and its Terms of Reference. The Company Secretary of the Company, the appointed secretary of the Audit Committee attended all the meetings during the financial year under review.

The representatives of the external auditors and internal auditors, Executive Directors, Group Financial Controller, Chief Operating Officer, and key management, at the invitation of the Audit Committee, attended the Audit Committee meetings to present their reports and/or findings or required information and explanations for the proper deliberation of the matters on hand. The Secretary of the Audit Committee is the Company Secretary and is responsible, together with the Chairperson, to draft the agenda and circulating it prior to each meeting.

The Audit Committee reported to and updated the Board on significant issues and matters discussed during the Audit Committee’s meetings and where appropriate, made the necessary recommendations to the Board.

Minutes of the Audit Committee’s meetings were made available to all Board members for their review and to seek clarification and confirmation from the Audit Committee Chairperson where necessary.

Audit Committee Report (Cont'd)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Audit Committee carried out its duties in accordance with its Terms of Reference during the financial year. The main activities undertaken by the Audit Committee during the financial year included the following: -

1. Reviewed the Quarterly Financial Results Announcement

During each scheduled financial quarter meeting for the financial year under review, the Group Financial Controller/ Finance Manager presented the draft unaudited quarterly results for the Audit Committee's review and briefed the Audit Committee on the contents of the financial results, announcements and notes therein, answered all queries raised and clarifications sought by the Audit Committee. The review focused mainly on key financial results and comparison to the immediate preceding quarter and corresponding quarter of the preceding financial year with reasons for major variances explained by the Group Financial Controller / Finance Manager. In addition, the business prospects of the Group for the remainder of the financial year and the business prospects of next year on last quarter were presented by the Management to the Audit Committee for discussion.

The review of the quarterly financial results performed by the Audit Committee was done in conjunction with a review of the key financial information (such as trade receivables aging analysis, inventory aging analysis and write-down provision for inventories, trade payables aging analysis and major expenses) as well as comparison of actual financial results with budgeted financial results. The Audit Committee further assessed the reasonableness of the assumptions and estimates made in the draft quarterly financial statements based on the updates by management on the operations and proposed business strategies and business expansions.

The unaudited quarterly financial results reviewed by the Audit Committee were then recommended to the Board for approval prior to the announcement to Bursa Malaysia Securities Berhad ("Bursa Securities").

2. Review the Company's Compliance with Regulatory, Statutory and Accounting Standards

During the quarterly Audit Committee meeting, with respect of the quarterly and annual financial statements, the Audit Committee reviewed the Company's compliance with the MMLR, accounting standards promulgated by Malaysian Accounting Standards Board and other legal and regulatory requirements.

3. Reviewed the Latest Changes of Pronouncements Issued by Accountancy, Statutory and Regulatory Bodies

At such quarterly meetings, the Audit Committee sought clarification of the application and impact of new and revised accounting standards with the external auditors as necessary. The Audit Committee members also underwent training conducted by external trainers during the financial year under review to keep themselves updated on the latest developments and to assess the impact on the financial reporting and corporate governance compliance requirements.

The minutes of the Audit Committee's meetings were made available to all Board Members for review and to seek clarification and confirmation from the Audit Committee Chairperson where necessary.

4. Reviewed the External Auditors' Audit Plan, Scope of Work and Audit Fee

During the financial year, the external auditors presented their Audit Planning Memorandum to the Audit Committee for review and approval prior to the commencement of the audit to ensure that the audit scope is adequate and reasonable time was allowed to ensure the audit was carried out effectively and not under undue time pressure.

The audit plan presented included information on the engagement team, audit scope, materiality, audit approach and methodology, timing of audit, significant accounting policies and disclosures, areas of audit focus (including potential key audit matters, other significant risks and other matter) reported observations in prior year's audit, report on deficiencies in internal control and newly effective Malaysian Financial Reporting Standards ("MFRS"). The audit plan was discussed and clarifications were sought from the external auditors prior to approval of the said plan by the Audit Committee.

During the same meeting, the proposed audit fees and non-audit fees were presented by the external auditors for review by the Audit Committee to ensure that the proposed fees commensurate with the work to be performed by the External Auditors, and the independence and objectivity of the External Auditors were not compromised by the proposed non-audit fees, which were then recommended to the Board for approval.

Audit Committee Report (Cont'd)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

4. Reviewed the External Auditors' Audit Plan, Scope of Work and Audit Fee (Cont'd)

During the financial year under review, in line with the Malaysian Institute of Accountants' (MIA) revised By-Laws (On Professional Ethics, Conduct and Practice) (By-Laws) Part A which stipulates that "A firm communicates with those charged with governance of a public interest entity before the firm or network firm provides non-assurance services to entities within the corporate structure of which the public interest entity forms part that might create threats to the firm's independence from the public interest entity. The purpose of the communication is to enable those charged with governance of the public interest entity to have effective oversight of the independence of the firm that audits the financial statements of that public interest entity. [MIA By-Laws 600.20 A1]", the AC reviewed and approved the Non-Assurance Services ("NAS") Pre-Approval Policy for non-assurance services that may be provided by the External Auditors.

5. Reviewed the Audited Financial Statements and Audit Results with External Auditors

Prior to the announcement of the final quarterly financial statements, the external auditors presented their Audit Review Memorandum and briefed the Audit Committee on the audit findings for the current financial year under review.

During the meeting, the audit findings on the significant risk areas, deficiencies in internal control and status of the audit were presented to the Audit Committee for deliberations and approval. The audit findings were then presented to the Board by the Chairperson of the Audit Committee.

The Audit Committee reviewed the audited financial statements of the Company and the Group for the financial year ended 30 April 2025 and satisfied themselves that the audit had been adequately carried out in accordance with the approved audit plan and approved auditing standards and that the presentation of the financial statements was in compliance with statutory requirements and applicable accounting standards. The Audit Committee then recommended the audited financial statements for the Board's approval and adoption.

6. Private Sessions with External Auditors

For the financial year ended 30 April 2025, the Audit Committee met twice, i.e. on 27 June 2024 and 27 March 2025 with the External Auditors without the presence of the Executive Directors and management in order for the Audit Committee and the external auditors to freely exchange views and opinions between both parties as well as discuss any significant audit issues.

7. Reviewed the Independence and Objectivity of the External Auditors

During the financial year, confirmation on the independence of the external auditor was obtained by the Audit Committee from the external auditors in relation to their work on the statutory audit to be performed and their commitment to communicate to the Audit Committee their independence status on an ongoing basis. In addition, the Audit Committee reviewed the independence and objectivity of the external auditors and the services provided, including non-audit services and noted that the non-audit fee is immaterial, justifiable and does not impair the independence and objectivity of the external auditors. The Audit Committee also received Transparency Report prepared by the external auditors and their presentation of such report during the financial year under review as part of performance evaluation by the Audit Committee.

8. Reviewed the Internal Audit Function

During the financial year, the Audit Committee received internal audit reports presented by the outsourced internal audit function that contain the findings, recommendations and agreed management action plans for the internal audits conducted based on approved internal audit plan. Aside from reporting on the audit findings, the status of agreed management action plans for previous internal audit findings were also presented to the Audit Committee. Additionally, the Audit Committee had assessed the adequacy and effectiveness of the outsourced internal audit function through the review of the resources, experience and continuous professional development of the outsourced internal audit function.

During the financial year, the internal audit plan (including progress of approved internal audit plan) and subsequent changes, if any, were presented by the outsourced internal audit function for the review and approval by the Audit Committee.

For the financial year ended 30 April 2025, the Audit Committee met once, i.e. on 28 June 2024 with the outsourced internal audit function without the presence of the Executive Directors and management in order for the Audit Committee and the outsourced internal audit function to freely exchange views and opinions between both parties, as well as discuss any significant audit issues.

The oversight role of Audit Committee on the internal audit function is contained in the Statement on Risk Management and Internal Control set out on pages 39 to 44 of this Annual Report.

Audit Committee Report (Cont'd)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

9. Reviewed Related Party Transactions and Conflict-of-Interest Situation

During the scheduled quarterly meetings, the Audit Committee conducted a review of related party transactions (including recurring related party transactions) entered by the Group with related parties to ensure that all transactions are conducted at arms length's basis on normal commercial terms and are not prejudicial to the interest of the Company or its minority shareholders.

The Audit Committee reviewed the adequacy on the Conflict of Interest ('COI') declarations procedures to ensure business integrity, transparency and compliance with the Group's Code of Ethic. Assessed the COI declaration by the Management on a quarterly basis at the Audit Committee's Meeting. The Audit Committee had deliberated on any potential Management's COI, related party transactions ("RPTs") and recurring RPTs.

10. Reviewed the Annual Report and Corporate Governance Report

For the financial year under review, the Audit Committee reviewed the Annual Report (which includes the Management Discussion and Analysis, Corporate Governance Overview Statement, Sustainability Statement, Audit Committee Report, Statement on Risk Management and Internal Control and Audited Financial Statements of the Group) and Corporate Governance Report and recommended to the Board for approval.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is outsourced to an independent professional firm, namely NeedsBridge Advisory Sdn. Bhd. to undertake independent, objective, regular and systematic review of the internal control system of the Group. The outsourced internal audit function reports directly to the Audit Committee. The appointment and resignation of the outsourced internal audit function as well as the proposed audit fees are subject to review and approval by the Audit Committee for its reporting to the Board for final approval.

The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter approved by the Board during the financial year under review. Key terms of the engagement include the purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the Management's responsibilities, authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team.

On the other hand, the Internal Audit Charter governs the internal audit function by specifying the purpose and mission of internal audit function, its roles, professionalism required (that is adherence to The Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (hereinafter referred to as "Standards")), its authorities, the reporting structure, independence and objectivity, its responsibilities, purpose of internal audit plan, reporting and monitoring, as well as the quality assurance and improvement programme. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF") established by the Institute of Internal Auditors Global.

The Audit Committee reviews the internal audit plan tabled by the outsourced internal audit function to ensure the adequacy of the audit scope and coverage in relation to the key business risk exposure and risk appetite of the Group prior to its approval for execution. The approved internal audit plan is duly carried out by the outsourced internal audit function with any subsequent change to the plan determined and approved by the Audit Committee with feedback from the Senior Management. Furthermore, the Audit Committee regularly reviewed the internal audit plans during the financial year to take into account any changes in the prevailing business environment, business structure and composition and its associated risks to ensure the continuing relevance of the approved internal audit plans, adequacy of the scope and resources being allocated to the outsourced internal audit function and any changes are approved by the Audit Committee prior to execution.

Audit Committee Report (Cont'd)

INTERNAL AUDIT FUNCTION (CONT'D)

The Audit Committee ensures the effectiveness and adequacy of the outsourced internal audit function, its competency and adequacy of resources allocated to the outsourced internal audit function through the review of the resources of the outsourced internal audit function provided in terms of the qualification, experience, exposure and continuous professional development of the personnel of the outsourced internal audit function which was tabled by the outsourced internal audit function at the Audit Committee meetings during the financial year under review. The performance, independence and objectivity of the internal audit function is formally evaluated by the Audit Committee through prescribed evaluation form adapted from Corporate Governance Guide issued by Bursa Securities.

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of the Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee. The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, Audit Committee and other specialised services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

During the financial year under review, the outsourced internal audit function conducted scheduled internal audits in accordance with the internal audit plan approved by the Audit Committee. Areas of improvement in internal controls identified together with the risks/ potential implications, recommendations, management action plans, person in-charge as well as the target dates of implementation were presented directly to the Audit Committee during the corresponding Audit Committee meetings. In addition, the outsourced internal audit function performed follow up reviews to ascertain the status of implementation of the agreed management action plans. The results of the follow up reviews were reported to the Audit Committee for their review and deliberation.

The cost incurred in connection with the internal audit function during the financial year amounted to RM38,000.

Further details of the outsourced internal audit function and activities as well as the oversight roles of the Audit Committee in relation to the risk management and internal controls are disclosed in the Statement on Risk Management and Internal Control set out on pages 39 to 44 in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Solid Automotive Berhad (“the Company”) (collectively with its subsidiaries, “the Group”) is pleased to present the statement on the risk management and internal control of the Group for the financial year ended 30 April 2025, pursuant to paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”) and the Malaysian Code on Corporate Governance 2021.

BOARD RESPONSIBILITY

The Board affirms its responsibility to maintain a sound risk management and internal control system and for reviewing their adequacy and effectiveness to safeguard its stakeholders’ interests and the Group’s assets. The Board is to establish risk appetite of the Group based on the risk capacity, strategies, internal and external business context, business nature and corporate lifecycle. The Board has delegated these aforementioned responsibilities to the Audit Committee whereby the Audit Committee is assigned with the duty, through its terms of reference approved by the Board, to review and consider the adequacy and effectiveness of the risk management and internal control system of the Group. Through the Audit Committee, the Board is kept informed of all significant control issues brought to the attention of the Audit Committee by the management of the Company (“the Management”), the internal audit function and the external auditors.

The system of internal control covers, inter-alia, control environment, risk assessment, control activities, information and communication and monitoring activities. However, the Board recognises that, in view of the limitations that are inherent in any system of internal control, the system of internal control is designed to manage, rather than to eliminate the risk of failure to achieve the Group’s business objectives. Accordingly, the system of internal controls can only provide reasonable and not absolute assurance against material misstatement of losses and fraud.

RISK MANAGEMENT

The Board recognises that an effective risk management process is key to good corporate governance in pursuit of the Group’s strategic business objectives and there is a continuous process and activities to identify, evaluate and manage significant risks faced by the Group systematically during the financial year under review.

The Board has adopted a systematic risk management framework which are embedded into the Group processes and structure. The principles, practices and process of the Risk Management Framework established by the Board are, in material respect, guided by the ISO 31000:2018 – Risk Management - Guidelines.

The Board has established a formal risk management reporting structure in Risk Management Framework to ensure effective risk management and the responsibilities of the Board, Audit Committee and Risk Management Committee are as set out below:



The Risk Management of the Group is delegated to the Risk Management Committee which comprises of the Managing Director as the Chairperson, the Group Executive Committee as Key Risk Officers and Finance Heads of operating subsidiaries as members to assess and monitor the Group’s risk as well as to discuss, evaluate and address matters associated with strategic, financial, operational and governance aspects of the Group. The Head of Departments are designated as risk owners, as defined in the Group Risk Management Framework.

Statement on Risk Management and Internal Control (Cont'd)

RISK MANAGEMENT (CONT'D)

The systematic risk management framework per Risk Management Framework encompasses risk identification, risk assessment, control identification, risk treatment and control activities. Risk assessment, at gross and residual level, are guided by the likelihood rating and impact rating established by the Board. Based on the risk management process, Key Risk Registers were compiled, with relevant key risks identified and rated based on an agreed upon risk rating. The Key Risk Registers are used for the identification of high residual risks which are above the risk appetite of the Group that require the Management and the Board's immediate attention.

The roles and responsibilities of the Risk Management Committee include the following:

- a. Implementation of Risk Management Framework as approved by the Board;
- b. Develop and implement the risk management process;
- c. Ensure that risk management exercises are aligned with the Group's strategies (e.g. vision/mission, corporate strategies and goals);
- d. Periodic review and update of Key Risks Register; and
- e. Update the Audit Committee on changes to the Key Risk Registers on periodical basis.

The roles and responsibilities of risk owners as defined in the Risk Management Framework are as follow:

- a. Manage the risk under his/her control;
- b. Continuously assess risk and evaluate existing control to identify areas with controls that were ineffective, inadequate or non-existent and report and to assist the Risk Management Committee in the development of the management action plans and implementation of the action plans formulated;
- c. Report to the Risk Management Committee of the emergence of new business risks or change in the existing business risks on a timely manner and assist the Risk Management Committee with the development of the management action plans and implement these action plans;
- d. Assist the Risk Management Committee with the periodic update on the changes in the Key Risk Registers; and
- e. Ensure staffs working under him/her understand the risk exposure of the relevant process under his/her duty and the importance of the related controls.

The systematic risk management process as defined in the Risk Management Framework is employed by the Risk Management Committee and risk owners for risk identification, risk assessment, control identification, risk treatment and control activities.

As an important risk monitoring mechanism, the Risk Management Committee and risk owners review the key risk registers of key operating subsidiaries and assessment of emerging risks identified at strategic and operational level on an annual basis or on more frequent basis (if circumstances required) and report (if circumstances required) to the Audit Committee on the results of the review and assessment.

During the financial year under review, the Risk Management Committee, and the risk owners followed up on the existing strategic, governance and key operational risks of key subsidiaries that were reviewed with emerging risks identified, assessed, and incorporated into the key risk registers for on-going risk monitoring and assessment, after taking into consideration the internal audit findings.

At the strategic level, business plans, strategies and investment proposals with risks consideration are formulated by the Group Executive Committee and Senior Management and presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite. In addition, specific strategic and key operational risks are highlighted and deliberated by the Audit Committee and the Board during the review of the financial performance of the Group in the scheduled meetings.

At the operational level, respective risk owners are responsible for managing the risks under their responsibilities. Respective risk owners are responsible for adequate and effective operational monitoring and management by way of maintaining adequate and effective internal controls and executing control procedures on a day-to-day basis. Changes in the key operational risks or emergence of new key business risks are identified through daily operational management and controls as well as review of financial and operational reports by respective level of Management. Respective risk owners are responsible to assess the changes to the existing operational risks and emerging new risks and to determine the risk treatment and implement effective controls to manage the risks, if applicable. Critical and material risks are highlighted to the Risk Management Committee for final decision on the risk treatment and implementation as well as its reporting to the Audit Committee and the Board.

The monitoring of the risk management process by the Group is enhanced by the internal audits carried out by the outsourced internal audit function with specific audit objectives and business risks identified for each internal audit cycle based on the internal audit plan approved by the Audit Committee.

The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL CONTROL SYSTEM

The key features of the Group's internal control systems are made up of five core components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities with principles representing the fundamental concepts associated with each component as follows:

- **Board of Directors/Board Committees**

The role, composition, operation, and processes of the Board are guided by the Board Charter whereby roles and responsibilities of the Board, the Chairperson and the Managing Director are specified to maintain the independence of the Board from the Management and to enhance oversight roles of the Board.

Board Committees (i.e. Audit Committee, Remuneration Committee and Nomination Committee) have been established to carry out duties and responsibilities delegated by the Board are governed by written terms of reference.

Meetings of Board of Directors and respective Board Committees are carried out on scheduled basis to review the business plans, business strategies and performance of the Group, from financial and operational perspectives. Business plans and business strategies are proposed by the Group Executive Committee to the Board for their review and approval after taking into account risk consideration and responses.

- **Integrity and Ethical Value**

The tone from the top on integrity and ethical value are enshrined in the formal Code of Conduct established and approved by the Board. The Code forms the foundation of the integrity and ethical value of the Group.

Codes of conduct expected from employees to carry out their duties and responsibilities assigned are also established and formalised in the Employee Handbook.

To reinforce ethical values across the Group in line with the Code of Conduct and in accordance with the Guidelines on Adequate Procedures pursuant to Subsection 5 of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has established a formal Anti-Bribery & Corruption Policy, which aims to prevent the risks of bribery, corruption and conflict of interest within the Group.

In addition, a formal Whistle-blowing Policy is put in place by the Board to provide a channel for employees and other stakeholders to confidentially bring to the attention of the Audit Committee Chairperson and its member pertaining to any misconducts or criminal offences covered under the said policy. The Whistle-blowing Policy is also aimed to raise genuine concerns about possible improprieties in matters of unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements at the earliest opportunity.

The Code of Conduct is monitored through control activity monitoring mechanism implemented with any non-compliances promptly identified, investigated and addressed through appropriate corrective actions, including but not limited to disciplinary actions.

- **Organisation Structure, Accountability and Authorisation Procedures**

The Group has a well-defined organisation structure with clear line of reporting and accountability in place to ensure appropriate level of authorities and responsibilities are delegated accordingly to competent staffs in achieving operational effectiveness and efficiency. The Group has established authorisation and approval levels for management to follow including those requiring approval from the Board.

- **Policies and Procedures**

The Group has documented policies and procedures for key business processes that are regularly reviewed and updated to ensure its relevance in support of the Group's business activities and business objectives. Standard operating procedures and work instructions are established by Solid Corporation Sdn. Bhd. in compliance with the International Standard Organisation ("ISO") certification.

The Group has a Whistle-blowing Policy to provide employees with a transparent and confidential process to report instances of corruption, fraud, misconduct, abuse of rules and regulations, misuse of company assets or resources within the Group.

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL CONTROL SYSTEM (CONT'D)

- **Human Resource Management**

Guideline on human resource management and Employee Handbook are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate level of suitably qualified and competent employees possessing necessary knowledge, skill and experience to carry out their duties and responsibilities effectively and efficiently.

Performance evaluations are carried out for all levels of staff to identify performance gaps, for training needs identification and talent management.

- **Risk Assessment and Control Activities**

Risk assessment is performed by risk owners at scheduled intervals or when there is a change in internal and/or business context in accordance with Group Risk Management Framework. Internal controls, such as risk responses, are formulated and put in place to mitigate risks identified to a level acceptable by the Board.

The Group's policies and procedures are regularly reviewed and updated to ensure it continues to support the Group's business activities in achieving the Group's business objectives.

- **Information and Communication**

At operational levels, clear reporting lines are established across the Group. Management reports are prepared for dissemination to relevant personnel throughout the Group for effective and timely decision making and execution in pursuit of the business objectives. Matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

The Group has in place effective and efficient information and communication infrastructures and channels, i.e. computerised enterprise resources planning systems, secured intranet, electronic mail system and modern telecommunication, so that operational data and management information can be communicated with relevant external stakeholders. Relevant financial, operational and management reports are generated to cater to the varying requirements of the different level of management within the Group for information and decision making. The management and board meetings are held regularly for effective two-way communication of information at different level of management and the Board.

Communication of policies and procedures of the Group are conducted via written format, electronic mail system and in-house trainings by respective risk or control owners.

- **Monitoring and Review**

Executive Directors are actively involved in the daily operations and regularly review the operational information, including sales, inventory, and financial information. The quarterly financial results containing key financial results and comparisons as well as management commentaries are presented to the Board for their review.

Furthermore, internal audits are scheduled and carried out by the outsourced internal audit function, which reports directly to the Audit Committee. These audits focus on key risk areas identified from the Key Risk Registers of the Group. The outsourced internal audit function assesses the adequacy and effectiveness of internal controls in relation to specific governance, risk and control processes, and highlights its observations and the associated potential risks and implications as well as recommends improvements on the observations highlighted to minimise the risks. The results of the internal audits carried out are reported to the Audit Committee.

In addition to the internal audits, significant control issues, if any, are highlighted by the external auditors as part of their statutory audits as well as by the independent consultants engaged by the Group for surveillance audits related to ISO certification.

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL AUDIT FUNCTION

The Group relies on the internal audit function to provide the Board and the Management with the required level of assurance that the governance, risk management and internal control system are operating adequately and effectively in order to provide reasonable assurance that the business objectives of the Group are achievable. The Group's internal audit function is outsourced to an independent professional firm, namely, NeedsBridge Advisory Sdn. Bhd. To uphold the professional firm's independence and objectivity, the outsourced internal audit function is reporting to the Audit Committee directly. At least once annually, the Audit Committee will meet with the outsourced internal audit function without the presence of the Executive Directors and Management to promote free flow of information.

The engagement director of the outsourced internal audit function, Mr. Lau Min Wei, is a member of Certified Practising Accountants (CPA) Australia, a member of the Malaysian Institute of Accountants and a professional member of the Institute of Internal Auditors Malaysia. The internal audits are carried out, in all material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global.

The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter approved by the Board. Key terms of the engagement include the purpose and scope of works, accountability/responsibility, authority, independence, limitation of scope of works, confidentiality, proposed fees, and engagement team. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review by the Audit Committee and for its reporting to the Board for ultimate approval. During the financial year under review, the resources allocated to the fieldwork of the internal audit by the outsourced internal audit function were one (1) director and assisted by at least one (1) senior consultant and one (1) consultant per one (1) engagement with oversight performed by the director.

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee. The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, Audit Committee and other specialised services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

The Group's outsourced internal audit function adopts a risk-based approach and prepares its internal audit plan based on the Group's Key Risk Registers. The risk-based internal audit plan takes into consideration the existing and emergent key business risks identified in the Group's Key Risk Registers. The audit plan and any subsequent amendments are reviewed by the Audit Committee and approved by the Board prior to their execution. Each internal audit cycles within the internal audit plan are specific with regard to audit objective, key risks to be assessed and scopes of the internal control review.

The internal control review procedures performed by the outsourced internal audit function are designed to understand, document and evaluate risks and related controls to determine the adequacy and effectiveness of governance, risk and control structures and processes. The recommendations formulated by the outsourced internal audit function are based on the root cause(s) of the internal audit observations.

The internal audit procedures applied principally consisted of process evaluations through interviews with relevant personnel involved in the process under review, review of the Standard Operating Procedures and/or process flows provided and observations of the functioning of processes in compliance with results of interviews and/or documented Standard Operating Procedures and/or process flows. Thereafter, testing of controls for the respective audit areas through the review of the samples selected based on sample sizes calculated was in accordance with a predetermined formula, subject to the nature of testing and verification of the samples.

Regular internal audit reviews were performed based on the internal audit plan reviewed by the Audit Committee and approved by the Board. For the financial year under review, the outsourced internal audit function conducted reviews on the Sales and Inventory Management of Borneo Technical Co. (M) Sdn. Bhd. - Kuching Branch and the Management Information System ("MIS") Management of Solid Corporation Sdn. Bhd. in accordance with the internal audit plan (and any amendments thereof) reviewed by the Audit Committee and approved by the Board.

Upon completion of the internal audit work, the internal audit reports were presented to the Audit Committee during its quarterly meetings. During these meetings, the internal audit observations, priority levels, potential risks/implications, recommendations, management responses/action plans and person-in-charge together with dates of implementation were presented by the outsourced internal audit function to the Audit Committee for review and deliberation.

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL AUDIT FUNCTION (CONT'D)

Progress follow up was performed by the outsourced internal audit function on the management action plans that were not implemented in the previous internal audit fieldworks by way of verification via physical observation or through verification of sample provided by person-in-charge to substantiate the implementation of the management action plans. The updates on the status of action plans as identified in the previous internal audit reports were also presented via the Action Plan Progress Follow Up Report for the Audit Committee's review and deliberation. The Audit Committee reported the results of the review and deliberation to the Board in order for the Board to discharge its responsibility to ensure that the risk management and sound internal controls are in place to manage the risks within the risk appetite of the Group and for regulatory compliance.

In addition, during the Audit Committee meeting, the outsourced internal audit function reported its staff strength, qualification, and experience as well as continuous professional education to the Audit Committee for their review and assessment on the adequacy and effectiveness of the outsourced internal audit function. Based on the formal evaluation of the internal audit function and review of the works performed and deliverables by the outsourced internal audit function during the financial year, the Audit Committee and the Board are satisfied:

- that the outsourced internal audit function is free from any relationships or conflicts of interest which could impair their objectivity and independence;
- with the scope of the outsourced internal audit function;

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 30 April 2025 amounted to RM38,000.

ASSURANCE PROVIDED BY THE MANAGING DIRECTOR AND GROUP FINANCIAL CONTROLLER

In compliance with the Guidelines, the Managing Director, being the highest-ranking executive in the Company and the Group Financial Controller, being the person primarily responsible for the management of the financial affairs of the Company have provided assurance to the Board that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, during the financial year under review.

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

The external auditors have reviewed the Statement on Risk Management and Internal Control pursuant to Paragraph 15.23 of the MMLR and in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA"). Based on their review, nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- a. Has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies; or
- b. Is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact remedy the problems.

OPINION AND CONCLUSION

The Board believes that the Group's risk management and internal control systems provide reasonable, but not absolute, assurance that weaknesses or deficiencies are identified on a timely basis and dealt with appropriately. Based on the review of risk management process and internal control systems as well as the monitoring and review mechanism stipulated above coupled with the assurance provided by the Managing Director and the Group Financial Controller, the Board is of the view that the risk management and internal control systems are operating satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report. The Board continues to take measures to review and, where necessary, enhance the Group's risk management and internal control systems to meet the Group's strategic objectives.

The Board is committed towards maintaining an adequate and effective governance, risk management and internal control system throughout the Group and reaffirms its commitment to continuously review and where necessary, to further enhance the Group's governance, risk management and internal control systems.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 18 August 2025.

Financial Statement

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in the "Subsidiaries" section of this report. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	5,963,589	25,986,115

DIVIDENDS

On 24 October 2024, the Company paid a final dividend of 0.006 sen per ordinary share amounting to RM3,116,225 for the financial year ended 30 April 2024 which was approved by the shareholders at the Annual General Meeting held on 26 September 2024.

The directors do not recommend the payment of any further dividends for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

Directors' Report (Cont'd)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent or other liability of the Group and of the Company 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 when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Ker Min Choo
Ker Hong
Ker Keddy
Ker Shiloong
Chai Yee Man
Tan Lay Beng
Tan Siew Peng

Directors' Report (Cont'd)

DIRECTORS (CONT'D)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Chu Kian Hoo
 Ker Yan Ling
 Ker Young
 Ker Yun
 Liew Cheong Seng
 Loo Chee How
 Mah Kok Ming
 Voon Kwee Loon
 Ker Meng Oi
 Ker Eu Jack
 Ker Jing (Appointed on 19 July 2024)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	At 1.5.2024	Number of Ordinary Shares		At 30.4.2025
		Bought	Transfer	
The Company				
<i>Direct Interests</i>				
Ker Min Choo	102,534,189	-	-	102,534,189
Ker Hong	4,143,899	-	-	4,143,899
Ker Keddy	5,322,000	-	-	5,322,000
Ker Shiloong	43,056,000	-	-	43,056,000
<i>Indirect Interests *</i>				
Ker Min Choo	7,868,231	-	-	7,868,231
Ker Hong	459,700	-	-	459,700

* Deemed interested through spouse's and children's shareholding in the Company.

By virtue of his shareholdings in the Company, Ker Min Choo is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares and options over unissued shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	The Group RM
Companies in which certain directors have substantial financial interests	
Lease expense paid/payable	326,000
Lease income received/receivable	(1,680)
Sales of goods	(47,008)
Purchases of goods	609,539

Directors' Report (Cont'd)

DIRECTORS' BENEFITS (CONT'D)

	The Company RM
Subsidiaries	
Advances granted	52,218,368
Interest income received/receivable	370,723

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

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	330,000	330,000
Salaries, bonuses and other benefits	2,589,134	-
Defined contribution benefits	294,003	-
	3,213,137	330,000

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM29,375.

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
<i>Subsidiaries of the Company</i>			
Solid Corporation Sdn. Bhd. ("Solid Corporation")	Malaysia	100	Trading and distribution of automotive electrical parts and components
Twinco Far East Sdn. Bhd. ("Twinco")	Malaysia	100	Trading and distribution of automotive engine and mechanical parts and components
Solid Autotech Sdn. Bhd. ^	Malaysia	100	Property and investment holding
Borneo Technical Co. (M) Sdn. Bhd. ("Borneo")	Malaysia	100	Trading and distribution of automotive spare parts, lubricants, batteries, and industrial supplies
Win Soon Auto Suppliers Sdn. Bhd. ("WSKL")	Malaysia	100	Trading and distribution of automotive spare parts and components
Win Soon Auto Suppliers (JB) Sdn. Bhd. ("WSJB")	Malaysia	100	Dormant
Part Center Sdn. Bhd. ("Part Center") ^(b)	Malaysia	100	Dormant

Directors' Report (Cont'd)

SUBSIDIARIES (CONT'D)

The details of the Company's subsidiaries are as follows (Cont'd):-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
<i>Subsidiaries of the Company (Cont'd)</i>			
Loco Auto Sdn. Bhd. ("Loco Auto") ^(c)	Malaysia	100	Trading and distribution of motor spare parts and car accessories
Auto Empire Impex Pte Ltd*	Singapore	100	Trading and distribution of automotive engine and mechanical parts and components
<i>Subsidiaries of Solid Corporation</i>			
Auto Electrical Systems Sdn. Bhd.	Malaysia	100	Dormant

* This subsidiary was audited by other firm of chartered accountants.

^ The subsidiary is under Members' Voluntary Liquidation.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

i. Sales of a piece of leasehold land

On 16 May 2025, the subsidiary of the Company, WSKL entered into a Sale and Purchase Agreement to sell a piece of 99 years leasehold land expiring on 10 February 2113 with an area measuring approximately 612.61 square meters together for a two-storey semi-detached factory for a total consideration of RM6,280,000.

ii. Acquisition of a subsidiary

On 14 July 2025, the Company had entered into a Share Sale Agreement ("SSA") with third parties to acquire 100% equity interest in Syarikat Sim Ghee Auto Supply Co. Sdn. Bhd., for a total consideration of RM6,000,000 only.

AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	266,856	44,000
Non-audit fees	38,000	38,000
	<u>304,856</u>	<u>82,000</u>

Signed in accordance with a resolution of the directors dated 18 August 2025.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Ker Min Choo and Ker Hong, being two of the directors of Solid Automotive Berhad, state that, in the opinion of the directors, the financial statements set out on pages 55 to 106 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 April 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 18 August 2025.

Ker Min Choo

Ker Hong

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Tan Wee Kiat, MIA Membership Number: 46819, being the officer primarily responsible for the financial management of Solid Automotive Berhad, do solemnly and sincerely declare that the financial statements set out on pages 55 to 106 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 abovementioned
Tan Wee Kiat
at Ibrahim International Business District (IIBD)
in the State of Johor
on this 18 August 2025

Before me

Tan Wee Kiat

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOLID AUTOMOTIVE BERHAD
(Incorporated in Malaysia)
Registration No: 201201032237 (1016725-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Solid Automotive Berhad, which comprise the statements of financial position as at 30 April 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 55 to 106.

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 30 April 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, 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 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Slow-Moving And Obsolete Inventories Refer to Notes 4.1(d) and 12 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group is in the business of trading and distribution of automotive parts and components. The balance of inventories as at 30 April 2025 was RM90,721,409 after writing down slow moving and obsolete inventories. This represents the single largest asset component in the Group's statements of financial position.</p> <p>Management determines the write down for obsolete inventories for each stock keeping unit ("SKU") when the age of the inventories exceed 2 years. The inventories to be written down are those which are expected to remain unsold after 3 years from the end of the reporting period based on past historical trend.</p> <p>We have identified this as a risk area in view of the significance of inventories as a component of the Group's statements of financial position and the judgement required in making the write down.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> Assessing the reasonableness of management's methodology employed for estimating the inventories write down; Performing aging test on inventories aging report by selecting samples and checking to the date of stock-in (purchase date) to the appropriate age band; Assessing the reasonableness of the assumptions used to derive the estimated future sales; and Testing the mathematical accuracy of management's method by re-performing the calculations on selected samples, using the inventories aging report.

Independent Auditors' Report (Cont'd)

To the members of Solid Automotive Berhad
(Incorporated in Malaysia)
Registration No: 201201032237 (1016725-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditors' Report (Cont'd)

To the members of Solid Automotive Berhad
(Incorporated in Malaysia)
Registration No: 201201032237 (1016725-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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 MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Johor Bahru

18 August 2025

Tan Lin Chun
02839/10/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2025

		The Group		The Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	95,792,833	115,771,699
Property, plant and equipment	6	58,365,860	25,579,788	272,702	292,930
Investment properties	7	24,149,292	4,915,299	-	-
Right-of-use assets	8	21,538,139	22,416,276	-	-
Other investments	9	238,600	238,610	-	-
Deferred tax assets	10	98,221	115,504	-	-
Other receivable	11	65,987	171,783	-	-
		104,456,099	53,437,260	96,065,535	116,064,629
CURRENT ASSETS					
Inventories	12	90,721,409	89,621,115	-	-
Trade receivables	13	67,993,901	63,543,097	-	-
Other receivables, deposits and prepayments	11	7,299,313	6,449,302	12,239	12,180
Amounts owing by subsidiaries	14	-	-	56,458,377	5,701,115
Short-term investments	15	10,117,165	18,078,991	10,117,165	18,078,991
Current tax assets		1,990,801	2,515,238	159,841	29,441
Derivative assets	16	-	68,659	-	-
Fixed deposit with licensed banks	17	11,183,029	55,282,000	-	-
Cash and bank balances		24,684,261	29,437,471	334,097	399,804
		213,989,879	264,995,873	67,081,719	24,221,531
TOTAL ASSETS		318,445,978	318,433,133	163,147,254	140,286,160
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	135,761,642	135,761,642	135,761,642	135,761,642
Reserves	19	101,268,332	98,420,968	27,241,446	4,371,556
TOTAL EQUITY		237,029,974	234,182,610	163,003,088	140,133,198
NON-CURRENT LIABILITIES					
Deferred tax liabilities	10	126,400	132,600	-	-
Long-term borrowings	20	1,709,601	4,356,913	-	-
Lease liabilities	23	2,421,682	2,605,062	-	-
		4,257,683	7,094,575	-	-
CURRENT LIABILITIES					
Trade payables	24	22,214,762	21,511,862	-	-
Other payables and accruals	25	7,279,313	6,885,438	140,267	144,604
Amounts owing to subsidiaries	14	-	-	3,899	8,358
Lease liabilities	23	1,586,528	2,116,348	-	-
Short-term borrowings	26	33,127,928	35,636,041	-	-
Derivative liabilities	16	373,825	-	-	-
Current tax liabilities		9,018	31,491	-	-
Provisions	27	12,566,947	10,974,768	-	-
		77,158,321	77,155,948	144,166	152,962
TOTAL LIABILITIES		81,416,004	84,250,523	144,166	152,962
TOTAL EQUITY AND LIABILITIES		318,445,978	318,433,133	163,147,254	140,286,160

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025

		The Group		The Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
REVENUE	28	353,153,981	330,841,323	-	-
OTHER OPERATING INCOME		6,682,161	38,477,372	27,681,102	1,652,717
CHANGES IN INVENTORIES		(276,151,932)	(258,141,028)	-	-
EMPLOYEE BENEFITS	29	(45,100,566)	(41,888,096)	(332,047)	(333,012)
DEPRECIATION EXPENSES		(5,328,816)	(5,008,729)	(30,154)	(8,053)
FINANCE COSTS		(2,217,947)	(2,890,313)	(834)	(745)
OTHER OPERATING EXPENSES		(23,561,701)	(21,778,928)	(1,328,260)	(2,345,676)
NET IMPAIRMENT GAINS/(LOSS) ON FINANCIAL ASSETS	30	304,840	(780,039)	-	1,264,197
PROFIT BEFORE TAXATION	31	7,780,020	38,831,562	25,989,807	229,428
INCOME TAX EXPENSE	32	(1,101,826)	(1,292,169)	(3,692)	(144,768)
PROFIT AFTER TAXATION		6,678,194	37,539,393	25,986,115	84,660
OTHER COMPREHENSIVE INCOME <u>Item that Will be Reclassified</u> <u>Subsequently to Profit or Loss</u> Foreign currency translation differences	33	(714,605)	615,071	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		5,963,589	38,154,464	25,986,115	84,660
PROFIT AFTER TAXATION ATTRIBUTABLE TO:- Owners of the Company		6,678,194	37,539,393	25,986,115	84,660
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:- Owners of the Company		5,963,589	38,154,464	25,986,115	84,660
EARNINGS PER SHARE (SEN) Basic	34	1.29	7.23		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025

The Group	Note	Share Capital RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Total Equity RM
Balance at 1.5.2023		135,761,642	(43,360,988)	3,714,426	99,913,066	196,028,146
Profit after taxation for the the financial year		-	-	-	37,539,393	37,539,393
Other comprehensive income for the financial year:						
- Foreign currency translation differences		-	-	615,071	-	615,071
Total comprehensive income for the financial year		-	-	615,071	37,539,393	38,154,464
Balance at 30.4.2024/1.5.2024		135,761,642	(43,360,988)	4,329,497	137,452,459	234,182,610
Profit after taxation for the financial year		-	-	-	6,678,194	6,678,194
Other comprehensive income for the financial year:						
- Foreign currency translation differences		-	-	(714,605)	-	(714,605)
Total comprehensive income for the financial year		-	-	(714,605)	6,678,194	5,963,589
Dividends by the Company	35	-	-	-	(3,116,225)	(3,116,225)
Balance at 30.4.2025		135,761,642	(43,360,988)	3,614,892	141,014,428	237,029,974

The Company	Note	Share Capital RM	Retained Profits RM	Total Equity RM
Balance at 1.5.2023		135,761,642	4,286,896	140,048,538
Profit after taxation/Total comprehensive income for the financial year		-	84,660	84,660
Balance at 30.4.2024/1.5.2024		135,761,642	4,371,556	140,133,198
Profit after taxation/Total comprehensive income for the financial year		-	25,986,115	25,986,115
Dividend	35	-	(3,116,225)	(3,116,225)
Balance at 30.4.2025		135,761,642	27,241,446	163,003,088

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025

		The Group		The Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		7,780,020	38,831,562	25,989,807	229,428
Adjustments for:-					
Bad debts written off		40,559	-	-	
Bad debts recovered		(177,688)	(3,505)	-	-
Depreciation of:					
- property, plant and equipment	6	2,495,297	2,254,426	30,154	8,053
- investment properties	7	216,686	369,683	-	-
- right-of-use assets	8	2,616,833	2,384,620	-	-
Fair value loss/(gain) on derivative liabilities/asset		442,484	(62,777)	-	-
Fair value gain on short term investment		(1,256,286)	(420,307)	(1,256,286)	(420,307)
Impairment losses on:-					
- investment in subsidiaries	5	-	-	928,866	1,876,663
- trade receivables	13	444,575	905,557	-	-
Interest expense on lease liabilities	23	216,632	199,819	-	-
Other interest expenses		1,894,880	2,505,633	-	-
Gain on foreign exchange - unrealised		(211,743)	(296,520)	-	-
Property, plant and equipment written off	6	7,782	290,353	-	-
Provisions	27	23,197,295	20,403,825	-	-
Gain on disposal of property, plant and equipment		(38,904)	(115,722)	-	-
Gain on disposal of investment property		-	(30,943,060)	-	-
Gain on lease modification		(5,972)	(34,320)	-	-
Interest income		(1,067,648)	(846,972)	(370,723)	(1,232,410)
Reversal of impairment losses on trade receivables	13	(749,415)	(125,518)	-	-
Reversal of inventories written down	12	(248,469)	(1,921,449)	-	-
Reversal of provisions	27	(1,256,585)	(1,946,907)	-	-
Reversal of impairment losses on property, plant and equipment		-	(6,608)	-	-
Reversal of impairment losses on amount owing by subsidiaries		-	-	-	(1,264,197)
Operating profit/(loss) before working capital changes/		34,340,333	31,421,813	25,321,818	(802,770)
(Increase)/Decrease in inventories		(1,051,498)	16,431,762	-	-
(Increase)/Decrease in trade and other receivables		(5,025,364)	4,478,535	(59)	(5,969)
Increase/(Decrease) in trade and other payables		1,371,622	2,444,058	(4,337)	27,388
Provisions claimed	27	(20,348,531)	(18,588,197)	-	-
CASH FOR OPERATIONS		9,286,562	36,187,971	25,317,422	(781,351)
Income tax paid		(1,358,918)	(2,588,343)	(134,092)	(133,918)
Income tax refunded		857,044	620,704	-	122,234
Interest received		940,118	726,518	1,082	329
NET CASH FROM/(FOR) OPERATING ACTIVITIES		9,724,806	34,946,850	25,184,412	(792,706)

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

For the Financial Year Ended 30 April 2025

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Return from voluntary winding up of a subsidiary		-	-	19,050,000	-
Interest income received		127,530	120,454	369,641	1,232,081
Additional investment in subsidiaries		-	-	-	(15,873,996)
Proceeds from disposal of investment properties		-	45,302,154	-	-
Proceeds from disposal of property, plant and equipment		44,347	164,700	-	-
Purchase of investment properties		(19,553,235)	-	-	-
Purchase of property, plant and equipment	36(a)	(35,315,014)	(2,516,185)	(9,926)	(300,983)
Withdrawal/(Placement) of short-term investment		9,218,112	(1,978,453)	9,218,112	(1,978,453)
Net (Advance to)/Repayment from subsidiaries		-	-	(50,757,262)	16,894,539
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(45,478,260)	41,092,670	(22,129,435)	(26,812)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
(Repayment to)/Advances from a subsidiary		-	-	(4,459)	8,358
Dividends paid	35	(3,116,225)	-	(3,116,225)	-
Drawdown of bankers' acceptances	36(b)	47,549,518	38,675,935	-	-
Drawdown of foreign currency loans	36(b)	53,953,406	48,855,455	-	-
Drawdown of revolving credit	36(b)	-	6,225,212	-	-
Drawdown of trust receipts	36(b)	908,933	359,010	-	-
Interest paid	36(b)	(2,111,512)	(2,705,452)	-	-
Repayment of lease liabilities	36(b)	(2,445,924)	(2,209,640)	-	-
Repayment of hire purchase payables	36(b)	(403,776)	(520,628)	-	-
Repayment of bankers' acceptances	36(b)	(52,365,704)	(40,273,868)	-	-
Repayment of foreign currency loans	36(b)	(49,402,678)	(61,446,079)	-	-
Repayment of term loans	36(b)	(408,692)	(5,050,999)	-	-
Repayment of trust receipts	36(b)	-	(359,010)	-	-
Repayment of revolving credits	36(b)	(4,500,000)	(1,725,212)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(12,342,654)	(20,175,276)	(3,120,684)	8,358
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(48,096,108)	55,864,244	(65,707)	(811,160)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(756,073)	337,642	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		84,719,471	28,517,585	399,804	1,210,964
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36(d)	35,867,290	84,719,471	334,097	399,804

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025

1. GENERAL INFORMATION

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

Registered office : Suite 9D, Level 9, Menara Ansar
65, Jalan Trus
80888 IIBD
Johor

Principal place of business : No. 5, Jalan Dataran 5
Taman Kempas
81200 Johor Bahru
Johor

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 August 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards (including the consequential amendments, if any):-

MFRSs (Including The Consequential Amendments)

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

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

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have not applied in advance the following accounting standards (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Investment Properties

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and investment properties are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment and investment properties will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment and investment properties as at the reporting date is disclosed in Notes 6 and 7 to the financial statements respectively.

(b) Impairment of Non-financial Assets

The Group and the Company determine whether its investments in subsidiaries, property, plant and equipment, investment properties and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

The carrying amount of investments in subsidiaries, property, plant and equipment, investment properties and right-of-use assets as at the reporting date are disclosed in Notes 5, 6, 7 and 8 to the financial statements respectively.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below (Cont'd):-

(c) Fair Value Estimates for Certain Financial Assets and Financial Liabilities

The Group carries certain financial assets and financial liabilities that are not traded in an active market at fair value. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The amount of fair value changes would differ if the Group uses different valuation methodologies and assumptions, and eventually affect profit and/or other comprehensive income.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require management to consider the future demand for the products and subsequent events. The Group also adopts the write-down policy for slow-moving inventories which are aged more than 2 years by estimating the inventories which will remain unsold after 3 years from the end of the reporting period based on past historical trend for each stock keeping unit.

In general, such an evaluation process requires significant judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 12 to the financial statements.

(e) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 13 to the financial statements.

(f) Impairment of Non-trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group and the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Notes 11 and 14 to the financial statements respectively.

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made. The carrying amounts of current tax assets/liabilities of the Group and of the Company as at the reporting date were RM1,990,801 and RM9,018 (2024 – RM2,515,238 and RM31,491) and RM159,841 (2024 – RM29,441) respectively.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below (Cont'd):-

(h) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 10 to the financial statements.

(i) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(j) Provision for Warranties

Judgement has been applied in determining the provision for warranties for products sold under the warranty terms ranging from one to two years from the date of sale. The provision is computed based on the past return percentage of those products sold with defects quality. Based on the past experience, it is probable that certain claims will be made within the given warranty period. The carrying amount of provision for warranties as at reporting date is disclosed in Note 27 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company account for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

(e) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.4 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost including the estimated costs of dismantling and removing the items and restoring that site on which they are located.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2%
Furniture, fixtures and equipment	10% to 50%
Motor vehicles	20%
Plant and machineries	10% to 20%
Renovation and electrical installation	10% to 20%

Asset work-in-progress represent computer software under installation. They are not depreciated until such time when the asset is available for use.

4.5 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocated the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rates are:-

Leasehold land	50 – 99 years
Buildings	2%

4.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.7 INVENTORIES

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

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

4.8 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Sale of Automotive and Industrial Parts

Revenue from sale of automotive and industrial parts is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

The Group's obligation to repair or replace faulty products under the standard terms is recognised as a provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025	2024
	RM	RM
Unquoted shares, at cost	98,838,362	117,888,362
Accumulated impairment losses	(3,045,529)	(2,116,663)
	95,792,833	115,771,699
Accumulated impairment losses:-		
At 1 May 2024/2023	2,116,663	240,000
Addition during the financial year (Note 31)	928,866	1,876,663
At 30 April 2025/2024	3,045,529	2,116,663

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
		%	%	
Subsidiaries of the Company				
Solid Corporation Sdn. Bhd. (“Solid Corporation”)	Malaysia	100	100	Trading and distribution of automotive electrical parts and components
Twinco Far East Sdn. Bhd. (“Twinco”)	Malaysia	100	100	Trading and distribution of automotive engine and mechanical parts and components
Solid Autotech Sdn. Bhd. ^	Malaysia	100	100	Property and investment holding
Borneo Technical Co. (M) Sdn. Bhd. (“Borneo”)	Malaysia	100	100	Trading and distribution of automotive spare parts, lubricants, batteries, and industrial supplies
Win Soon Auto Suppliers Sdn. Bhd. (“WSKL”)	Malaysia	100	100	Trading and distribution of automotive spare parts and components
Win Soon Auto Suppliers (JB) Sdn. Bhd. (“WSJB”)	Malaysia	100	100	Dormant
Part Center Sdn. Bhd. (“Part Center”) ^(b)	Malaysia	100	100	Dormant
Loco Auto Sdn. Bhd. (“Loco Auto”) ^(c)	Malaysia	100	100	Trading and distribution of motor spare parts and car accessories
Auto Empire Impex Pte Ltd *	Singapore	100	100	Trading and distribution of automotive engine and mechanical parts and components
Subsidiaries of Solid Corporation				
Auto Electrical Systems Sdn. Bhd.	Malaysia	100	100	Dormant

* This subsidiary was audited by other firm of chartered accountants.

^ The subsidiary is under Members' Voluntary Liquidation

(a) In the previous financial year, the Company has subscribed additional shares of RM15,873,996 in the following subsidiaries:-

- (i) Twinco, WSJB, Loco Auto and Part Center by way of capitalising the amount owing by subsidiaries of RM14,373,996;
- (ii) Solid Corporation for a cash consideration of RM1,500,000.

The subscriptions did not change the percentage of shareholdings effectively held by the Company.

(b) In the previous financial year, Twinco has disposed of its entire equity interest in Part Center to Solid Automotive Berhad for a cash consideration of RM1.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.5.2024 RM	Additions (Note 36(a)) RM	Disposals RM	Write Off (Note 31) RM	Translation Differences RM	Depreciation Charges (Note 31) RM	At 30.4.2025 RM
2025							
<i>Carrying Amount</i>							
Freehold land	3,706,328	33,612,707	-	-	-	-	37,319,035
Buildings	15,503,119	-	-	-	(206,656)	(354,343)	14,942,120
Furniture, fixtures and equipment	4,126,932	1,296,693	(31)	(1,658)	(3,245)	(1,264,456)	4,154,235
Motor vehicles	1,783,660	246,095	(5,400)	(1)	(24,514)	(739,453)	1,260,387
Plant and machineries	98,879	96,582	(17)	(472)	-	(26,130)	168,842
Renovation and electrical installation	360,870	148,978	-	(5,651)	-	(110,915)	393,282
Assets work-in-progress	-	127,959	-	-	-	-	127,959
	25,579,788	35,529,014	(5,448)	(7,782)	(234,415)	(2,495,297)	58,365,860
2024							
<i>Carrying Amount</i>							
Freehold land	3,706,328	-	-	-	-	-	3,706,328
Buildings	16,949,830	-	(1,219,025)	-	173,703	(401,389)	15,503,119
Furniture, fixtures and equipment	3,205,304	2,198,199	(48,968)	(290,353)	3,472	(947,330)	4,126,932
Motor vehicles	2,193,859	333,623	(2)	-	27,176	(770,996)	1,783,660
Plant and machineries	116,525	5,503	(8)	-	-	(23,141)	98,879
Renovation and electrical installation	423,580	48,860	-	-	-	(111,570)	360,870
	26,595,426	2,586,185	(48,978)	(290,353)	204,351	(2,254,426)	25,579,788

The Group	At 1.5.2023 RM	Additions (Note 36(a)) RM	Disposals RM	Write Off (Note 31) RM	Transfer to Investment Properties (Note 7) RM	Reversal of impairment (Note 31) RM	Translation Differences RM	Depreciation Charges (Note 31) RM	At 30.4.2024 RM
2024									
<i>Carrying Amount</i>									
Freehold land	3,706,328	-	-	-	-	-	-	-	3,706,328
Buildings	16,949,830	-	-	-	(1,219,025)	-	173,703	(401,389)	15,503,119
Furniture, fixtures and equipment	3,205,304	2,198,199	(48,968)	(290,353)	-	6,608	3,472	(947,330)	4,126,932
Motor vehicles	2,193,859	333,623	(2)	-	-	-	27,176	(770,996)	1,783,660
Plant and machineries	116,525	5,503	(8)	-	-	-	-	(23,141)	98,879
Renovation and electrical installation	423,580	48,860	-	-	-	-	-	(111,570)	360,870
	26,595,426	2,586,185	(48,978)	(290,353)	(1,219,025)	6,608	204,351	(2,254,426)	25,579,788

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

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

The Group	At Cost RM	Accumulated Impairment Losses RM	Accumulated Depreciation RM	Carrying Amount RM
2025				
Freehold land	37,319,035	-	-	37,319,035
Buildings	18,264,233	-	(3,322,113)	14,942,120
Furniture, fixtures and equipment	16,990,549	(52,556)	(12,783,758)	4,154,235
Motor vehicles	9,792,139	-	(8,531,752)	1,260,387
Plant and machineries	2,063,202	-	(1,894,360)	168,842
Renovation and electrical installation	1,420,885	-	(1,027,603)	393,282
Assets work-in-progress	127,959	-	-	127,959
	85,978,002	(52,556)	(27,559,586)	58,365,860

2024

Freehold land	3,706,328	-	-	3,706,328
Buildings	18,512,118	-	(3,008,999)	15,503,119
Furniture, fixtures and equipment	15,953,324	(52,556)	(11,773,836)	4,126,932
Motor vehicles	10,102,694	(77,558)	(8,241,476)	1,783,660
Plant and machineries	2,092,232	-	(1,993,353)	98,879
Renovation and electrical Installation	1,282,923	-	(922,053)	360,870
	51,649,619	(130,114)	(25,939,717)	25,579,788

The Company	At 1.5.2024 RM	Additions (Note 36(a)) RM	Depreciation Charges (Note 31) RM	At 30.4.2025 RM
2025				
<i>Carrying Amount</i>				
Furniture, fixtures and equipment	292,930	535	(30,154)	263,311
Assets work-in-progress	-	9,391	-	9,391
	292,930	9,926	(30,154)	272,702

The Company	At 1.5.2023 RM	Additions (Note 36(a)) RM	Depreciation Charges (Note 31) RM	At 30.4.2024 RM
2024				
<i>Carrying Amount</i>				
Furniture, fixtures and equipment	-	300,983	(8,053)	292,930

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

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

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2025			
Furniture, fixtures and equipment	301,518	(38,207)	263,311
Assets work-in-progress	9,391	-	9,391
	310,909	(38,207)	272,702
2024			
Furniture, fixtures and equipment	300,983	(8,053)	292,930

- (a) Included in the property, plant and equipment of the Group were motor vehicles and equipment with a total carrying amount of RM962,148 (2024 – RM1,503,650) held under hire purchases agreements. These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 21 to the financial statements.
- (b) Included in the carrying amount of the property, plant and equipment of the Group are the following asset pledged to licensed banks for banking facilities extended to the Group as disclosed in Note 22 to the financial statements are as follows:-

	The Group	
	2025 RM	2024 RM
Building	4,108,793	3,700,141

7. INVESTMENT PROPERTIES

	The Group	
	2025 RM	2024 RM
Cost:-		
At 1 May 2024/2023	6,074,244	89,553,890
Additions	19,553,235	-
Disposal	(375,997)	(95,657,968)
Transfer from property, plant and equipment (Note 6)	-	11,814,791
Transfer from right-of-use assets (Note 8)	-	363,531
At 30 April 2025/2024	25,251,482	6,074,244
Accumulated depreciation:-		
At 1 May 2024/2023	(806,964)	(34,495,982)
Depreciation during the financial year (Note 31)	(216,686)	(369,683)
Disposal	273,441	39,271,522
Transfer from property, plant and equipment (Note 6)	-	(5,017,143)
Transfer from right-of-use assets (Note 8)	-	(195,678)
At 30 April 2025/2024	(750,209)	(806,964)
Accumulated impairment loss:-		
At 1 May 2024/2023	(351,981)	(36,800,710)
Disposal	-	42,027,352
Transfer from property, plant and equipment (Note 6)	-	(5,578,623)
At 30 April 2025/2024	(351,981)	(351,981)
	24,149,292	4,915,299

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

7. INVESTMENT PROPERTIES (CONT'D)

	The Group	
	2025 RM	2024 RM
Represented by:-		
Freehold land	3,287,365	3,287,365
Leasehold land	16,741,720	-
Buildings	4,120,207	1,627,934
At 30 April 2025/2024	24,149,292	4,915,299
Fair value:-		
Freehold land	4,300,000	4,300,000
Leasehold land	19,000,000	-
Buildings	6,380,000	3,304,000
At 30 April 2025/2024	29,680,000	7,604,000

- (a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain periods ranging from 1 to 3 (2024 – 1 to 3) years and an option that is exercisable by the customers to extend their leases with a range of 1 to 6 (2024 – 1 to 6) years.

As at the reporting date, the future minimum rentals receivable under the operating leases are as follows:-

	The Group	
	2025 RM	2024 RM
Within 1 year	276,000	167,816
Between 1 and 2 years	437,000	-
	713,000	167,816

- (b) The fair value of the investment properties have been determined based on valuations performed by independent professional valuers at the end of the reporting date using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location, market trends and facilities available. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 2 of the fair value hierarchy.

There were no transfers between level 1 and level 2 during the financial year.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

8. RIGHT-OF-USE ASSETS

	At 1.5.2024 RM	Additions (Note 36(a)) RM	Derecognition Due to Lease Modification RM	Reassessment of Lease Liabilities (Note 23) RM	Depreciation Charges (Note 31) RM	At 30.4.2025 RM
The Group						
2025						
<i>Carrying Amount</i>						
Leasehold land	17,973,575	-	-	-	(202,172)	17,771,403
Premises	4,442,701	1,625,388	(123,802)	237,110	(2,414,661)	3,766,736
	22,416,276	1,625,388	(123,802)	237,110	(2,616,833)	21,538,139

	At 1.5.2023 RM	Additions (Note 36(a)) RM	Derecognition Due to Lease Modification RM	Reassessment of Lease Liabilities (Note 23) RM	Transfer to Investment Properties (Note 7) RM	Depreciation Charges (Note 31) RM	At 30.4.2024 RM
The Group							
2024							
<i>Carrying Amount</i>							
Leasehold land	18,348,766	-	-	-	(167,853)	(207,338)	17,973,575
Premises	4,450,847	2,491,764	(328,791)	6,163	-	(2,177,282)	4,442,701
	22,799,613	2,491,764	(328,791)	6,163	(167,853)	(2,384,620)	22,416,276

- (a) The Group has lease contracts for leasehold land and premises used in its operations. Their remaining lease terms are as below:-

	The Group	
	2025	2024
Leasehold land	50 to 99 years	55 to 99 years
Premises	1 to 4 years	1 to 4 years

- (b) The Group also has several leases with lease terms of 12 months or less and leases of equipment with low value. The Group has applied the 'short-term leases' and 'lease of low-value assets' recognition exemptions for these leases.
- (c) The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the portfolio of leased assets and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.
- (d) Included in the right-of-use assets of the Group are leasehold land with a total carrying amount of RM4,046,090 (2024 – RM4,076,156) which has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.

9. OTHER INVESTMENTS

	The Group	
	2025 RM	2024 RM
Transferable golf club memberships, at cost	374,190	374,200
Less: Impairment losses	(135,590)	(135,590)
	238,600	238,610

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

10. DEFERRED TAX (LIABILITIES)/ASSETS

The Group	At 1.5.2024 RM	Recognised in Profit or Loss (Note 32) RM	At 30.4.2025 RM
2025			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	(892,204)	500	(891,704)
Right-of-use assets	(651,200)	7,300	(643,900)
	(1,543,404)	7,800	(1,535,604)
<i>Deferred Tax Assets</i>			
Impairment losses on trade receivables	312,800	9,200	322,000
Inventories written down	885,800	(31,600)	854,200
Provisions	174,100	20,800	194,900
Unrealised foreign exchange loss	22,000	-	22,000
Others	131,608	(17,283)	114,325
	1,526,308	(18,883)	1,507,425
	(17,096)	(11,083)	(28,179)

The Group	At 1.5.2023 RM	Recognised in Profit or Loss (Note 32) RM	At 30.4.2024 RM
2024			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	(854,804)	(37,400)	(892,204)
Right-of-use assets	-	(651,200)	(651,200)
	(854,804)	(688,600)	(1,543,404)
<i>Deferred Tax Assets</i>			
Impairment losses on trade receivables	183,400	129,400	312,800
Inventories written down	575,400	310,400	885,800
Provisions	57,900	116,200	174,100
Unrealised foreign exchange loss	22,000	-	22,000
Others	241,988	(110,380)	131,608
	1,080,688	445,620	1,526,308
	225,884	(242,980)	(17,096)

	The Group	
	2025 RM	2024 RM
Presented after appropriate offsetting as follows:-		
Deferred tax liabilities	(126,400)	(132,600)
Deferred tax assets	98,221	115,504
	(28,179)	(17,096)

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

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

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2025 RM	2024 RM
Unused tax losses:		
- expires by 30 April 2028	15,391,000	22,126,000
- expires by 30 April 2030	426,000	426,000
- expires by 30 April 2031	421,000	421,000
- expires by 30 April 2032	1,359,000	1,359,000
- expires by 30 April 2033	49,000	49,000
- expires by 30 April 2034	980,000	737,000
- expires by 30 April 2035	585,000	-
Unabsorbed capital allowances	106,000	87,000
Other deductible temporary differences	22,775,000	20,966,000
	<u>42,092,000</u>	<u>46,171,000</u>

Certain comparative figure have been restated to reflect the revised tax losses carry-forward, unabsorbed capital allowances and other deductible temporary differences available to the Group.

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital are allowed to be carried forward indefinitely.

The use of tax losses of subsidiary in other country is subject to agreement of the tax authority and compliance with certain provisions of the Income Tax Act of the country in which the subsidiary operates.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Non-current</u>				
Other receivable	65,987	171,783	-	-
<u>Current</u>				
Other receivables:-				
Third parties	973,781	1,972,057	-	-
Advances to suppliers	3,878,357	2,489,038	-	-
Sales tax recoverable	358,111	251,041	-	-
Interest receivables	8,680	-	-	-
	<u>5,218,929</u>	<u>4,712,136</u>	<u>-</u>	<u>-</u>
Allowance for impairment losses	(53,311)	(53,311)	-	-
	<u>5,165,618</u>	<u>4,658,825</u>	<u>-</u>	<u>-</u>
Deposits	1,459,252	1,231,700	9,800	9,800
Prepayments	674,443	558,777	2,439	2,380
	<u>7,299,313</u>	<u>6,449,302</u>	<u>12,239</u>	<u>12,180</u>
	<u>7,365,300</u>	<u>6,621,085</u>	<u>12,239</u>	<u>12,180</u>
Allowance for impairment losses:-				
At 30 April 2025/2024	53,311	53,311	-	-

The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

12. INVENTORIES

	The Group	
	2025 RM	2024 RM
Trading goods	87,659,906	84,097,172
Goods-in-transit	3,061,503	5,523,943
	<hr/> 90,721,409	<hr/> 89,621,115
Recognised in profit or loss:-		
Inventories recognised as cost of sales	276,151,932	258,141,028
Reversal of inventories written down (Note 31)	(248,469)	(1,921,449)
	<hr/>	<hr/>

13. TRADE RECEIVABLES

	The Group	
	2025 RM	2024 RM
Trade receivables	70,949,205	67,088,538
Allowance for impairment losses	(2,955,304)	(3,545,441)
	<hr/> 67,993,901	<hr/> 63,543,097
Allowance for impairment losses:-		
At 1 May 2024/2023	3,545,441	3,672,184
Addition during the financial year (Note 30)	444,575	905,557
Reversal during the financial year (Note 30)	(749,415)	(125,518)
Written off during the financial year	(273,504)	(917,201)
Foreign exchange translation differences	(11,793)	10,419
At 30 April 2025/2024	<hr/> 2,955,304	<hr/> 3,545,441

The Group's normal trade credit terms range from 7 to 180 (2024 – 7 to 180) days.

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

		The Company	
		2025 RM	2024 RM
Amount Owing by Subsidiaries			
<u>Current</u>			
Non-trade balances	(a)	56,458,377	5,701,115
Allowance for impairment losses		-	-
		<hr/> 56,458,377	<hr/> 5,701,115
Allowance for impairment losses:-			
At 30 April 2024/2023		-	1,264,197
Reversal during the financial year (Note 30)		-	(1,264,197)
At 30 April 2025/2024		<hr/> -	<hr/> -

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES (CONT'D)

		The Company	
		2025	2024
		RM	RM

Amount Owing to Subsidiaries

Current

Non-trade balances	(b)	(3,899)	(8,358)
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(a) The non-trade balances represent unsecured advances granted to subsidiaries which are repayable on demand. Interest is charged at 5.39% to 5.48% (2024 – 5.39% to 5.48%) per annum on the outstanding balance. The amounts owing are to be settled in cash.

(b) The non-trade balances represent unsecured interest-free payments made on behalf for the Company. The amount owing is repayable on demand and is to be settled in cash.

15. SHORT-TERM INVESTMENTS

	The Group/The Company	
	2025	2024
	RM	RM
Money market funds, at fair value	10,117,165	18,078,991

The funds invest mainly into debentures, deposits and money market instruments and thus have minimum exposure to changes in market value. There is no maturity period for money market funds as these money is callable on demand.

16. DERIVATIVE (LIABILITIES)/ASSETS

	Contract/Notional Amount		The Group	
	2025	2024	2025	2024
	RM	RM	RM	RM
Derivative (Liabilities)/Assets				
Forward currency contracts	13,808,307	10,587,113	(373,825)	68,659

The Group does not apply hedge accounting.

The forward currency contracts are used to hedge subsidiaries' purchases denominated in United States Dollar (USD) and Chinese Yuan (CNY) for which firm commitments existed at the end of the reporting period. The settlement dates on forward currency contracts range between 1 to 6 (2024 – 1) months after the end of the reporting period.

17. FIXED DEPOSIT WITH LICENSED BANKS

The fixed deposit with licensed banks of the Group at the end of the reporting period bore effective interest rate ranging from 1.00% to 3.95% (2024 – 2.50% to 4.00%) per annum. The fixed deposits have maturity period ranging from 3 to 90 (2024 – 2 to 90) days for the Group.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

18. SHARE CAPITAL

	The Group/The Company			
	2025 Number Of Shares	2024	2025 RM	2024 RM
Issued and Fully Paid-Up				
At 30 April 2025/2024	519,371,864	519,371,864	135,761,642	135,761,642

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

19. RESERVES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Foreign exchange translation reserve	3,614,892	4,329,497	-	-
Merger deficit	(43,360,988)	(43,360,988)	-	-
Retained profits	141,014,428	137,452,459	27,241,446	4,371,556
	101,268,332	98,420,968	27,241,446	4,371,556

(a) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

(b) Merger Deficit

The merger deficit represents the difference between the carrying value of the investment in subsidiaries and the nominal value of shares of the Company's subsidiaries upon consolidation under the merger accounting principle.

20. LONG-TERM BORROWINGS (SECURED)

	The Group	
	2025 RM	2024 RM
Hire purchase payables (Note 21)	355,056	498,862
Term loans (Note 22)	1,354,545	3,858,051
	1,709,601	4,356,913

21. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2025 RM	2024 RM
Current liabilities (Note 26)	266,716	330,302
Non-current liabilities (Note 20)	355,056	498,862
	621,772	829,164

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

21. HIRE PURCHASE PAYABLES (SECURED) (CONT'D)

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicles and equipment under finance lease are disclosed in Note 6 to the financial statements. The hire purchase arrangements are expiring from 1 to 4 (2024 – 1 to 5) years.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rate of 2.07% to 6.87% (2024 – 2.07% to 6.43%) per annum.

22. TERM LOANS (SECURED)

	The Group	
	2025 RM	2024 RM
Current liabilities (Note 26)	2,387,758	371,203
Non-current liabilities (Note 20)	1,354,545	3,858,051
	<u>3,742,303</u>	<u>4,229,254</u>

- (a) The term loans are secured by:-
- (i) corporate guarantee provided by the Company;
 - (ii) a first party legal charge over the Group's property, plant and equipment and right-of-use assets as disclosed in Notes 6 and 8 to the financial statements; and
 - (iii) jointly and severally guaranteed by certain directors of the Group and of the Company.
- (b) The interest rate profile of the term loans are summarised below:-

	Effective Interest Rate %	The Group	
		2025 RM	2024 RM
Floating rate term loans	4.62 - 5.95	<u>3,742,303</u>	<u>4,229,254</u>

23. LEASE LIABILITIES

	The Group	
	2025 RM	2024 RM
At 1 May 2024/2023	4,721,410	4,796,234
Additions (Note 36(a))	1,625,388	2,491,764
Interest expense recognised in profit or loss (Note 31)	216,632	199,819
Changes due to reassessment (Notes 8 and 36(b))	237,110	6,163
Derecognition due to lease modification (Note 36(b))	(129,774)	(363,111)
Repayment of principal	(2,445,924)	(2,209,640)
Repayment of interest expense	(216,632)	(199,819)
At 30 April 2025/2024	<u>4,008,210</u>	<u>4,721,410</u>
Analysed by:-		
Current liabilities	1,586,528	2,116,348
Non-current liabilities	2,421,682	2,605,062
	<u>4,008,210</u>	<u>4,721,410</u>

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

24. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 (2024 – 30 to 120) days.

Included in trade payables is an amount of RM90,287 (2024 – RM49,150) owing to a Company in which a director has financial interest.

25. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other payables	1,098,782	1,227,928	1,767	8,104
Accruals	5,096,808	4,462,669	138,500	136,500
Deposits received	1,083,723	1,194,841	-	-
	7,279,313	6,885,438	140,267	144,604

26. SHORT-TERM BORROWINGS (SECURED)

	The Group	
	2025	2024
	RM	RM
Bankers' acceptances	11,315,749	16,131,935
Foreign currency loans	18,257,082	14,302,601
Hire purchase payables (Note 21)	266,716	330,302
Revolving credits	-	4,500,000
Term loans (Note 22)	2,387,758	371,203
Trust receipts	900,623	-
	33,127,928	35,636,041

- Bankers' acceptances are drawn for a period ranging from 48 to 180 (2024 – 52 to 150) days and bore interests ranging from 3.69% to 5.45% (2024 – 3.81% to 5.58%) per annum.
- The bankers' acceptances are secured by the Group's property, plant and equipment and right-of-use assets as disclosed in Notes 6 and 8 to the financial statements.
- Foreign currency loans are drawn for a period from 101 to 179 (2024 – 62 to 172) days and bore interests ranging from 2.09% to 5.63% (2024 – 3.67% to 8.18%) per annum.
- Revolving credits are drawn for Nil (2024 – 90 to 150) days and bore interests was Nil (2024 – 5.28% to 6.56%) per annum.
- Trust receipts are drawn for a period from 45 to 47 (2024 – Nil) days and bore interests ranging from 4.50% to 4.75% (2024 – Nil) per annum.
- The bankers' acceptances, foreign currency loans and revolving credits are secured by corporate guarantee provided by the Company.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

27. PROVISIONS

	Product Warranties RM	Rebates RM	Staff Sales Commission RM	Advertising and Promotion RM	Others RM	Total RM
The Group						
At 1 May 2023	4,861,471	1,058,536	789,957	2,117,370	2,278,713	11,106,047
Provision made during the financial year	4,382,833	6,186,609	3,202,849	1,936,657	4,694,877	20,403,825
Claimed/Utilised during the financial year	(4,885,230)	(6,279,151)	(3,151,749)	(1,946,769)	(2,325,298)	(18,588,197)
Reversal during the financial year	(200,000)	-	-	-	(1,746,907)	(1,946,907)
At 30 April 2024/1 May 2024	4,159,074	965,994	841,057	2,107,258	2,901,385	10,974,768
Provision made during the financial year	5,133,749	6,996,911	3,365,506	3,021,180	4,679,949	23,197,295
Claimed/Utilised during the financial year	(4,125,833)	(6,915,553)	(3,269,121)	(3,183,216)	(2,854,808)	(20,348,531)
Reversal during the financial year	-	-	-	-	(1,256,585)	(1,256,585)
At 30 April 2025	5,166,990	1,047,352	937,442	1,945,222	3,469,941	12,566,947

(a) Product Warranties

The Group provides warranty on certain products and goods bearing in-house brand names sold in the past one (1) to two (2) years. The provision is derived based on the past return percentage of those products sold with defect quality. Based on the past experience, it is probable that certain claims will be made within the given warranty period.

(b) Rebates

Provision for rebates is in respect of volume rebates and prompt payment rebates payable to customers upon achieving the sales target of qualifying products and prompt payment scheme set by the Group.

The provision is recognised for expected rebates to be paid based on sales during the reporting period and also past experience on the likelihood of the customers achieving sales target and meeting the prompt payment timeline.

(c) Staff Sales Commission

Provision for staff sales commission is based on management's best estimate of the total amount payable as at reporting date based on the performance conditions of individual employees over sales collections.

(d) Advertising and Promotion

Provision for advertising and promotion is in respect of the travel campaigns, signboard, banner, poster, catalogue and other premium items payable to customers upon achieving the sales target of qualifying products set by the Group.

The provision is recognised for expected expenses to be paid based on sales during the reporting period and also past experience on the likelihood of the customers achieving the sales target.

(e) Others

Provision for others is in respect of the annual dinner, bonus, computer charges, royalty fee, staff training, tax fees and unutilised leave is based on the management's best estimate of the total amount payable as at reporting date in the next reporting period.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

28. REVENUE

	The Group	
	2025 RM	2024 RM
Revenue from Contracts with Customers		
<u>Recognised at a point in time</u>		
Sale of goods	353,151,277	330,556,764
Revenue from Other Sources		
<u>Recognised over time</u>		
Rental income	2,704	284,559
	<u>353,153,981</u>	<u>330,841,323</u>

The information on the disaggregation of revenue by geographical market is disclosed in Note 38 to the financial statements.

29. EMPLOYEE BENEFITS

The key management personnel of the Group and of the Company include executive directors and non- executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(a) Directors				
<u>Directors of the Company</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- fees	180,000	178,333	180,000	176,250
- salaries, bonuses and other benefits	2,589,134	2,528,446	-	-
	2,769,134	2,706,779	180,000	176,250
Defined contribution plan	294,003	283,615	-	-
	<u>3,063,137</u>	<u>2,990,394</u>	<u>180,000</u>	<u>176,250</u>
<i>Non-executive Directors</i>				
Short-term employee benefits:				
- fees	150,000	146,250	150,000	146,250
	<u>3,213,137</u>	<u>3,136,644</u>	<u>330,000</u>	<u>322,500</u>
<u>Directors of the Subsidiaries</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- fees	129,589	110,000	-	-
- salaries, bonuses and other benefits	3,266,352	3,132,415	-	-
	3,395,941	3,242,415	-	-
Defined contribution plan	371,426	362,758	-	-
	<u>3,767,367</u>	<u>3,605,173</u>	<u>-</u>	<u>-</u>
Total directors' remuneration	<u>6,980,504</u>	<u>6,741,817</u>	<u>330,000</u>	<u>322,500</u>

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

29. EMPLOYEE BENEFITS (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
(b) Other Key Management Personnel				
Short-term employee benefits:				
- salaries, bonuses and other benefits	622,630	602,331	-	-
- defined contribution plan	22,400	22,150	-	-
	645,030	624,481	-	-

(c) Other staff costs

Short-term employee benefits:				
- salaries, bonuses and other benefits	33,990,613	31,077,330	2,047	10,512
- defined contribution plan	3,484,419	3,444,468	-	-
Total other staff costs	37,475,032	34,521,798	2,047	10,512
Total employee benefits	45,100,566	41,888,096	332,047	333,012

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM29,375 (2024 – RM58,375).

30. NET IMPAIRMENT (GAINS)/LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Impairment losses:				
- trade receivables (Note 13)	444,575	905,557	-	-
Reversal of impairment losses:				
- trade receivables (Note 13)	(749,415)	(125,518)	-	-
- amount owing by subsidiaries (Note 14)	-	-	-	(1,264,197)
	(304,840)	780,039	-	(1,264,197)

31. PROFIT BEFORE TAXATION

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit before taxation is arrived at:-				
<i>After Charging</i>				
Auditors' remuneration:				
- audit fee:				
- current financial year	266,856	268,636	44,000	42,000
- (over)/underprovision in the previous financial year	(3,000)	13,879	-	-
- non-audit fee	38,000	5,000	38,000	5,000
Bad debt written off	40,559	-	-	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

31. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation is arrived at (Cont'd):-				
<i>After Charging (Cont'd)</i>				
Depreciation of:				
- property, plant and equipment (Note 6)	2,495,297	2,254,426	30,154	8,053
- investment properties (Note 7)	216,686	369,683	-	-
- right-of-use assets (Note 8)	2,616,833	2,384,620	-	-
Fair value loss on financial liabilities measured at fair value through profit or loss:				
- derivative liabilities	442,484	-	-	-
Impairment loss on investment in subsidiaries (Note 5)	-	-	928,866	1,876,663
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptances	649,556	532,882	-	-
- foreign currency loans	979,956	1,332,950	-	-
- revolving credits	75,771	266,800	-	-
- term loans	149,091	313,688	-	-
- trust receipts	-	6,697	-	-
- hire purchase payables	40,506	52,616	-	-
Interest expense on lease liabilities (Note 23)	216,632	199,819	-	-
Lease expenses:				
- short-term leases	414,037	370,934	40,800	13,600
- low-value assets	277,068	251,420	-	-
Loss on foreign exchange:				
- realised	108,975	1,040,597	-	-
- unrealised	26,499	51,971	-	-
Property, plant and equipment written off (Note 6)	7,782	290,353	-	-
<i>After (Crediting)</i>				
Bad debts recovered	(177,688)	(3,505)	-	-
Gain on disposal of:				
- property, plant and equipment	(38,904)	(115,722)	-	-
- investment properties	-	(30,943,060)	-	-
Gain on foreign exchange:				
- realised	(1,301,891)	(110,337)	-	-
- unrealised	(238,242)	(348,491)	-	-
Gain on lease modification	(5,972)	(34,320)	-	-
Fair value gain on financial asset measured at fair value through profit or loss:				
- derivative assets	-	(62,777)	-	-
- short-term investments	(1,256,286)	(420,307)	(1,256,286)	(420,307)
Interest income on financial assets measured at amortised cost:				
- bank interest	(197,790)	(120,920)	(1,082)	(329)
- fixed deposit interest	(692,827)	(580,844)	-	-
- imputed interest on trade receivables	(38,588)	(11,143)	-	-
- imputed interest on other receivables	(10,913)	(13,611)	-	-
- imputed interest on advances to subsidiaries	-	-	(242,111)	(1,111,627)
- short-term investments	(127,530)	(120,454)	(127,530)	(120,454)
Lease income:				
- rental income from investment properties	(260,900)	(229,680)	-	-
Reversal of impairment losses on property, plant and equipment (Note 6)	-	(6,608)	-	-
Reversal of inventories written down (Note 12)	(248,469)	(1,921,449)	-	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

32. INCOME TAX EXPENSE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense	1,032,913	1,117,800	-	146,900
Under/(Over) provision in the previous financial year	57,830	(68,611)	3,692	(2,132)
	1,090,743	1,049,189	3,692	144,768
Deferred tax (Note 10):				
- origination and reversal of temporary differences	9,083	242,980	-	-
- underprovision in the previous financial year	2,000	-	-	-
	11,083	242,980	-	-
	1,101,826	1,292,169	3,692	144,768

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation	7,780,020	38,831,562	25,989,807	229,428
Tax at the statutory tax rate of 24% (2024 - 24%)	1,867,205	9,319,575	6,237,554	55,063
Tax effects of:-				
Non-taxable income	(798,041)	(6,986,711)	(6,583,967)	(433,190)
Non-deductible expenses	923,238	829,100	291,213	525,027
Net (utilisation of deferred tax assets)/deferred tax assets not recognised during the year	(993,895)	(1,825,317)	55,200	-
Effects of differential in tax rates of a foreign subsidiary	43,489	24,133	-	-
Under/(Over) provision of income tax in the previous financial year	57,830	(68,611)	3,692	(2,132)
Underprovision of deferred tax in the previous financial year	2,000	-	-	-
Tax expense for the financial year	1,101,826	1,292,169	3,692	144,768

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 – 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

33. OTHER COMPREHENSIVE INCOME

	The Group	
	2025 RM	2024 RM
Items that Will be Reclassified Subsequently to Profit or Loss		
Foreign currency translation:		
- changes during the financial year	(714,605)	615,071

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

34. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2025	2024
Profit attributable to owners of the Company (RM)	6,678,194	37,539,393
Weighted average number of ordinary shares in issue	519,371,864	519,371,864
Basic earnings per share (sen)	1.29	7.23

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

35. DIVIDENDS

	The Company	
	2025 RM	2024 RM
Ordinary Shares		
Final dividends of RM0.006 per ordinary share in respect of the previous financial year	3,116,225	-

36. CASH FLOW INFORMATION

(a) The cash disbursed for the addition of property, plant and equipment and right-of-use assets is as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Property, Plant and Equipment				
Cost of property, plant and equipment purchased (Note 6)	35,529,014	2,586,185	9,926	300,983
Less: Acquired through hire purchase arrangements (Note 36(b))	(214,000)	(70,000)	-	-
	35,315,014	2,516,185	9,926	300,983
Right-of-use Assets				
Cost of right-of-use assets acquired (Note 8)			1,625,388	2,491,764
Less: Addition of new lease liabilities (Notes 23 and 36(b))			(1,625,388)	(2,491,764)
			-	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

36. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Bankers' Acceptances RM	Trust Receipts RM	Foreign Currency Loans RM	Term Loans RM	Revolving Credit RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2025								
At 1 May 2024	16,131,935	-	14,302,601	4,229,254	4,500,000	829,164	4,721,410	44,714,364
<u>Changes in Financing Cash Flows</u>								
Proceeds from drawdown	47,549,518	908,933	53,953,406	-	-	-	-	102,411,857
Repayment of principal	(52,365,704)	-	(49,402,678)	(408,692)	(4,500,000)	(403,776)	(2,445,924)	(109,526,774)
Repayment of interests	(649,556)	-	(979,956)	(149,091)	(75,771)	(40,506)	(216,632)	(2,111,512)
	(5,465,742)	908,933	3,570,772	(557,783)	(4,575,771)	(444,282)	(2,662,556)	(9,226,429)
<u>Other Changes</u>								
Derecognition due to lease modification (Note 23)	-	-	-	-	-	-	(129,774)	(129,774)
Foreign exchange adjustments	-	(8,310)	(596,247)	(78,259)	-	(17,616)	-	(700,432)
New hire purchases (Note 36(a))	-	-	-	-	-	214,000	-	214,000
Acquisition of new leases (Notes 23 and 36(a))	-	-	-	-	-	-	1,625,388	1,625,388
Changes due to reassessment (Notes 8 and 23)	-	-	-	-	-	-	237,110	237,110
Interest expense recognised in profit or loss (Note 31)	649,556	-	979,956	149,091	75,771	40,506	216,632	2,111,512
	649,556	(8,310)	383,709	70,832	75,771	236,890	1,949,356	3,357,804
At 30 April 2025	11,315,749	900,623	18,257,082	3,742,303	-	621,772	4,008,210	38,845,739

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

36. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Bankers' Acceptances RM	Trust Receipts RM	Foreign Currency Loans RM	Term Loans RM	Revolving Credit RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2024								
At 1 May 2023	17,729,868	-	27,183,579	9,208,696	-	1,261,756	4,796,234	60,180,133
<u>Changes in Financing Cash Flows</u>								
Proceeds from drawdown	38,675,935	359,010	48,855,455	-	6,225,212	-	-	94,115,612
Repayment of principal	(40,273,868)	(359,010)	(61,446,079)	(5,050,999)	(1,725,212)	(520,628)	(2,209,640)	(111,585,436)
Repayment of interests	(532,882)	(6,697)	(1,332,950)	(313,688)	(266,800)	(52,616)	(199,819)	(2,705,452)
	(2,130,815)	(6,697)	(13,923,574)	(5,364,687)	4,233,200	(573,244)	(2,409,459)	(20,175,276)
<u>Other Changes</u>								
Derecognition due to lease modification (Note 23)	-	-	-	-	-	-	(363,111)	(363,111)
Foreign exchange adjustments	-	-	(290,354)	71,557	-	18,036	-	(200,761)
New hire purchases (Note 36(a))	-	-	-	-	-	70,000	-	70,000
Acquisition of new leases (Notes 23 and 36(a))	-	-	-	-	-	-	2,491,764	2,491,764
Changes due to reassessment (Notes 8 and 23)	-	-	-	-	-	-	6,163	6,163
Interest expense recognised in profit or loss (Note 31)	532,882	6,697	1,332,950	313,688	266,800	52,616	199,819	2,705,452
	532,882	6,697	1,042,596	385,245	266,800	140,652	2,334,635	4,709,507
At 30 April 2024	16,131,935	-	14,302,601	4,229,254	4,500,000	829,164	4,721,410	44,714,364

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Payment of short-term leases	414,037	370,934	40,800	13,600
Payment of low-value assets	277,068	251,420	-	-
Interest paid on lease liabilities	216,632	199,819	-	-
Payment of lease liabilities	2,445,924	2,209,640	-	-
	3,353,661	3,031,813	40,800	13,600

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

36. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Fixed deposit with licensed banks	11,183,029	55,282,000	-	-
Cash and bank balances	24,684,261	29,437,471	334,097	399,804
	35,867,290	84,719,471	334,097	399,804

37. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries as disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the statements of cash flows and Note 30 to the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group	
	2025	2024
	RM	RM
Companies in which certain directors have substantial financial interests		
Lease expense paid/payable	326,000	-
Lease income received/receivable	(1,680)	(1,680)
Sales of goods	(47,008)	(37,718)
Purchases of goods	609,539	374,959

Directors and a family member

Lease expense paid/payable	-	237,334
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	The Company	
	2025	2024
	RM	RM
Subsidiaries		
Advances granted	52,218,368	7,209,502
Interest income received/receivable	(242,111)	(1,111,627)

The significant outstanding balances of the related parties (including the allowance for impairment made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

38. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a monthly basis. For management purposes, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into 3 main reportable segments as follows:-

- Automotive service, electrical, spare and related parts - involved in trading and distribution of automotive batteries, lubricants, electrical parts, spare parts and components;
 - Automotive engine and mechanical parts - involved in the trading and distribution of automotive engine and mechanical parts and components; and
 - Others - involved in management of investment properties and trading and distribution of industrial supplies.
- (a) The Managing Director assesses the performance of the reportable segments based on their profit before interest expenses and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

38.1 BUSINESS SEGMENTS

2025	Automotive Service, Electrical, Spare and Related Parts RM	Automotive Engine and Mechanical Parts RM	Others RM	The Group RM
Revenue				
External revenue	299,432,089	34,138,998	19,582,894	353,153,981
Inter-segment revenue	7,342,269	684,482	540	8,027,291
	306,774,358	34,823,480	19,583,434	361,181,272
Consolidation adjustments				(8,027,291)
Consolidated revenue				353,153,981
Represented by:-				
<u>Revenue recognised at a point in time</u>				
- Sales of goods	306,774,358	34,823,480	19,580,730	361,178,568
<u>Revenue recognised over time</u>				
- Rental income	-	-	2,704	2,704
	306,774,358	34,823,480	19,583,434	361,181,272
Consolidation adjustments				(8,027,291)
Consolidated revenue				353,153,981

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

2025	Automotive Service, Electrical, Spare and Related Parts RM	Automotive Engine and Mechanical Parts RM	Others RM	The Group RM
Results				
Segment profit/(loss) before interest and taxation	7,876,287	(862,564)	3,159,493	10,173,216
Finance costs				(2,217,947)
Unallocated expenses				(1,660,307)
Consolidation adjustments				1,485,058
Consolidated profit before taxation				7,780,020
Other Information				
Depreciation of investment properties	(216,550)	-	(136)	(216,686)
Depreciation of property, plant and equipment	(1,767,730)	(639,117)	(88,450)	(2,495,297)
Depreciation of right-of-use assets	(2,212,923)	(209,664)	(194,246)	(2,616,833)
Fair value loss on derivative liabilities	(424,449)	-	(18,035)	(442,484)
Fair value gain on short-term investments	-	-	1,256,286	1,256,286
Gain on foreign exchange:				
- realised	1,050,843	251,048	-	1,301,891
- unrealised	185,929	39,871	12,442	238,242
Gain on disposal of property, plant and equipment	38,703	-	201	38,904
Gain on lease modification	3,021	2,647	304	5,972
Impairment losses on:				
- trade receivables	(301,485)	(126,335)	(16,755)	(444,575)
Interest expenses on financial liabilities that are not at fair value through profit or loss	(1,702,204)	(172,876)	(19,800)	(1,894,880)
Interest expense on lease liabilities	(169,911)	(35,974)	(10,747)	(216,632)
Interest income	423,077	79,887	564,684	1,067,648
Loss on foreign exchange:				
- realised	(71,493)	(37,482)	-	(108,975)
- unrealised	-	(26,499)	-	(26,499)
Property, plant and equipment written off	(7,123)	(1)	(658)	(7,782)
Provisions	(21,560,292)	-	(1,637,003)	(23,197,295)
Reversal of allowance for impairment losses on trade receivables	693,525	39,325	16,565	749,415
Reversal of inventories written down	127,872	(14,450)	135,047	248,469
Reversal of provision	451,501	-	805,084	1,256,585
Assets				
Segment assets	268,671,705	36,606,044	182,329,560	487,607,309
Unallocated assets:				
- current tax assets				1,990,801
- deferred tax assets				98,221
- assets used for general enterprised or head office purpose				272,702
Consolidation adjustments				(171,523,055)
Consolidated total assets				318,445,978

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

2025	Automotive Service, Electrical, Spare and Related Parts RM	Automotive Engine and Mechanical Parts RM	Others RM	The Group RM
Assets (Cont'd)				
Additions to non-current assets other than financial instruments and deferred tax assets are:-				
Investment properties	19,553,235	-	-	19,553,235
Property, plant and equipment	35,302,347	216,741	9,926	35,529,014
Right-of-use assets	1,625,388	-	-	1,625,388
Liabilities				
Segment liabilities	100,523,580	2,059,717	1,027,873	103,611,170
Unallocated liabilities:				
- current tax liabilities				9,018
- deferred tax liabilities				126,400
- bankers' acceptances				11,315,749
- foreign currency loans				18,257,082
- hire purchase payables				621,772
- lease liabilities				4,008,210
- term loans				3,742,303
- trust receipts				900,623
Consolidation adjustments				(61,176,323)
Consolidated total liabilities				81,416,004
2024	Automotive Service, Electrical, Spare and Related Parts RM (Restated)	Automotive Engine and Mechanical Parts RM	Others RM (Restated)	The Group RM
Revenue				
External revenue	275,769,211	35,736,979	19,335,133	330,841,323
Inter-segment revenue	5,451,984	670,486	568,000	6,690,470
	281,221,195	36,407,465	19,903,133	337,531,793
Consolidation adjustments				(6,690,470)
Consolidated revenue				330,841,323
Represented by:-				
<u>Revenue recognised at a point in time</u>				
- Sales of goods	281,221,195	36,407,465	19,051,441	336,680,101
<u>Revenue recognised over time</u>				
- Rental income	-	-	851,692	851,692
	281,221,195	36,407,465	19,903,133	337,531,793
Consolidation adjustments				(6,690,470)
Consolidated revenue				330,841,323

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

2024	Automotive Service, Electrical, Spare and Related Parts RM (Restated)	Automotive Engine and Mechanical Parts RM	Others RM (Restated)	The Group RM
Results				
Segment profit before interest and taxation	9,271,181	(882,597)	37,269,692	45,658,276
Finance costs				(2,890,313)
Unallocated expenses				(1,414,491)
Consolidation adjustments				(2,521,910)
Consolidated profit before taxation				38,831,562
Other Information				
Depreciation of investment properties	(4,801)	-	(364,882)	(369,683)
Depreciation of property, plant and equipment	(1,583,229)	(639,647)	(31,550)	(2,254,426)
Depreciation of right-of-use assets	(2,174,171)	(210,449)	-	(2,384,620)
Fair value gain on derivative assets	62,777	-	-	62,777
Fair value gain on short-term investments	-	-	420,307	420,307
Gain on foreign exchange:				
- realised	82,072	28,265	-	110,337
- unrealised	339,691	8,800	-	348,491
Gain on disposal:-				
- property, plant and equipment	95,723	4,999	15,000	115,722
- investment properties	-	-	30,943,060	30,943,060
Gain on lease modification				
Impairment losses on:				
- trade receivables	(811,425)	(94,132)	-	(905,557)
Interest expenses on financial liabilities that are not at fair value through profit or loss	(2,282,852)	(222,781)	-	(2,505,633)
Interest expense on lease liabilities	(169,884)	(29,935)	-	(199,819)
Interest income	328,510	37,910	480,552	846,972
Loss on foreign exchange:				
- realised	(1,025,014)	(15,583)	-	(1,040,597)
- unrealised	(31,996)	(19,975)	-	(51,971)
Property, plant and equipment written off	(149,893)	-	(140,460)	(290,353)
Provisions	(19,638,825)	-	(765,000)	(20,403,825)
Reversal of allowance for impairment losses on trade receivables	60,110	65,408	-	125,518
Reversal of impairment losses on property, plant and equipment	6,608	-	-	6,608
Reversal of inventories written down	1,601,748	319,701	-	1,921,449
Reversal of provision	1,946,907	-	-	1,946,907

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

2024	Automotive Service, Electrical, Spare and Related Parts RM	Automotive Engine and Mechanical Parts RM	Others RM	The Group RM
Assets				
Segment assets	213,078,969	39,520,456	184,926,731	437,526,156
Unallocated assets:				
- current tax assets				2,515,238
- deferred tax assets				115,504
- assets used for general enterprised or head office purpose				292,935
Consolidation adjustments				(122,016,700)
Consolidated total assets				<u>318,433,133</u>
Additions to non-current assets other than financial instruments and deferred tax assets are:-				
Property, plant and equipment	2,188,658	92,794	304,733	2,586,185
Right-of-use assets	1,545,896	945,868	-	2,491,764
Liabilities				
Segment liabilities	44,983,995	3,546,737	955,741	49,486,473
Unallocated liabilities:				
- current tax liabilities				31,491
- deferred tax liabilities				132,600
- bankers' acceptances				16,131,935
- foreign currency loans				14,302,601
- hire purchase payables				829,164
- lease liabilities				4,721,410
- revolving credits				4,500,000
- term loans				4,229,254
Consolidation adjustments				(10,114,405)
Consolidated total liabilities				<u>84,250,523</u>

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

38. OPERATING SEGMENTS (CONT'D)

38.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

The Group	Revenue		Non-current Assets	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	312,411,324	297,284,069	100,573,272	48,927,302
Middle East and Africa	24,266,370	17,999,356	-	-
Other	16,476,287	15,557,898	3,718,619	4,222,671
	353,153,981	330,841,323	104,291,891	53,149,973

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At A Point in Time 2025 RM	Over Time 2025 RM	Total Group 2025 RM
Malaysia	312,408,620	2,704	312,411,324
Middle East and Africa	24,266,370	-	24,266,370
Other	16,476,287	-	16,476,287
	353,151,277	2,704	353,153,981

	At A Point in Time 2024 RM	Over Time 2024 RM	Total Group 2024 RM
Malaysia	296,999,510	284,559	297,284,069
Middle East and Africa	17,999,356	-	17,999,356
Other	15,557,898	-	15,557,898
	330,556,764	284,559	330,841,323

38.3 MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

39. CAPITAL COMMITMENTS

	The Group/The Company	
	2025 RM	2024 RM
Purchase of equipment	240,476	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

40.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), United States Dollar ("USD"), Euro ("EUR"), Japanese Yen ("JPY") and Chinese Yuan ("CNY"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than the functional currencies of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	SGD RM	USD RM	EUR RM	JPY RM	CNY RM	Total RM
2025						
<u>Financial Assets</u>						
Trade receivables	-	4,867,891	98,439	-	-	4,966,330
Other receivables	-	1,197,251	41,197	45,713	827,880	2,112,041
Cash and bank balances	98,301	1,255,797	81,537	175,470	-	1,611,105
Fixed deposit with licensed bank	1,230,714	-	-	-	-	1,230,714
	1,329,015	7,320,939	221,173	221,183	827,880	9,920,190
<u>Financial Liabilities</u>						
Trade payables	-	(7,902,142)	(59,099)	(2,398,677)	(144,691)	(10,504,609)
Other payables	-	(948,830)	-	(211,393)	-	(1,160,223)
Short-term borrowings	-	(12,765,587)	-	-	(5,491,495)	(18,257,082)
	-	(21,616,559)	(59,099)	(2,610,070)	(5,636,186)	(29,921,914)
Currency Exposure	1,329,015	(14,295,620)	162,074	(2,388,887)	(4,808,306)	(20,001,724)

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (Cont'd):-

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	USD RM	EUR RM	JPY RM	CNY RM	Total RM
2024					
<u>Financial Assets</u>					
Trade receivables	3,818,404	35,267	-	-	3,853,671
Other receivables	1,181,347	7,341	21,444	468,180	1,678,312
Cash and bank balances	2,519,333	214,961	39,098	-	2,773,392
	7,519,084	257,569	60,542	468,180	8,305,375
<u>Financial Liabilities</u>					
Trade payables	(8,306,288)	(436,665)	(1,666,008)	(330,440)	(10,739,401)
Other payables	(769,764)	(38)	(57,228)	-	(827,030)
Short-term borrowings	(12,522,735)	-	-	(1,779,866)	(14,302,601)
	(21,598,787)	(436,703)	(1,723,236)	(2,110,306)	(25,869,032)
Currency Exposure	(14,079,703)	(179,134)	(1,662,694)	(1,642,126)	(17,563,657)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

		The Group	
		2025 RM	2024 RM
Effects on Profit After Taxation			
SGD/RM	- strengthened by 8% (2024 - Nil)	81,171	-
	- weakened by 8% (2024 - Nil)	(81,171)	-
USD/RM	- strengthened by 13% (2024 - 8%)	(1,427,014)	(871,077)
	- weakened by 13% (2024 - 8%)	1,427,014	871,077
EUR/RM	- strengthened by 10% (2024 - 6%)	19,403	(5,677)
	- weakened by 10% (2024 - 6%)	(19,403)	5,677
JPY/RM	- strengthened by 10% (2024 - 9%)	(178,621)	(116,622)
	- weakened by 10% (2024 - 9%)	178,621	116,622
CNY/RM	- strengthened by 11% (2024 - 6%)	(384,642)	(71,295)
	- weakened by 11% (2024 - 6%)	384,642	71,295
Effects on Equity			
SGD/RM	- strengthened by 7% (2024 - 7%)	920,730	513,547
	- weakened by 7% (2024 - 7%)	(920,730)	(513,547)

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with floating rate. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate borrowings of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 20 and 26 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2025	2024
	RM	RM
Effects on Profit After Taxation		
Increase of 26 (2024 - 26) basis points	(25,100)	(19,904)
Decrease of 26 (2024 - 26) basis points	25,100	19,904

There is no impact on the Group's equity.

(iii) Equity Price Risk

Any reasonably possible change in the prices of quoted investments classified as fair value through profit or loss at the end of the reporting period does not have a material impact on the profit after taxation of the Group and of the Company and hence, no sensitivity analysis is presented. There is no impact on the equity of the Group and of the Company.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group and the Company do not have any major concentration of credit risk related to any individual customer or counterparty.

In addition, the Group and the Company also determine the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2025	2024
	RM	RM
Malaysia	63,138,142	59,925,890
Middle East and Africa	3,468,136	2,715,991
Other	1,387,623	901,216
	<u>67,993,901</u>	<u>63,543,097</u>

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM33,254,608 (2024 – RM36,370,586), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due. However, the Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward- looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the Gross Domestic Product (GDP) as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
The Group				
2025				
Current (not past due)	58,496,015	-	(223,239)	58,272,776
1 to 90 days past due	10,042,513	-	(763,838)	9,278,675
91 to 180 days past due	685,234	-	(252,626)	432,608
181 to 270 days past due	70,491	(44,698)	(25,793)	-
270 to 365 days past due	209,106	(209,106)	-	-
Credit impaired	1,445,846	(1,115,021)	(320,983)	9,842
	70,949,205	(1,368,825)	(1,586,479)	67,993,901

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows (Cont'd):-

The Group	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
2024				
Current (not past due)	53,625,610	-	(620,143)	53,005,467
1 to 90 days past due	11,323,591	-	(1,301,012)	10,022,579
91 to 180 days past due	246,489	(13,101)	(66,843)	166,545
181 to 270 days past due	9,596	(4,250)	(550)	4,796
270 to 365 days past due	504,017	(149,465)	(10,842)	343,710
Credit impaired	1,379,235	(1,379,235)	-	-
	67,088,538	(1,546,051)	(1,999,390)	63,543,097

The movements in the loss allowances in respect of trade receivables are disclosed in Note 13 to the financial statements.

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables that impacted the allowance for impairment losses.

Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposit with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

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

For advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiaries.

In deriving the PD and LGD, the Company considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross Amount RM	Lifetime Individual Allowance RM	Carrying Amount RM
The Company			
2025			
Low credit risk	56,458,377	-	56,458,377
2024			
Low credit risk	5,701,115	-	5,701,115

The movement in the loss allowances are disclosed in Note 14 to the financial statements.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

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

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

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and then Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2025						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	-	22,214,762	22,214,762	22,214,762	-	-
Other payables and accruals	-	6,195,590	6,195,590	6,195,590	-	-
Lease liabilities	4.40 - 6.30	4,008,210	4,370,991	1,734,873	2,626,118	10,000
Hire purchase payables	2.07 - 6.87	621,772	672,061	307,708	364,353	-
Bankers' acceptances	3.69 - 5.45	11,315,749	11,315,749	11,315,749	-	-
Foreign currency loans	2.09 - 5.63	18,257,082	18,257,082	18,257,082	-	-
Term loans	4.62 - 5.95	3,742,303	4,153,111	2,581,490	1,067,901	503,720
Trust receipts	4.50 - 4.75	900,623	900,623	900,623	-	-
		67,256,091	68,079,969	63,507,877	4,058,372	513,720

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2024						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	-	21,511,862	21,511,862	21,511,862	-	-
Other payables and accruals	-	5,690,597	5,690,597	5,690,597	-	-
Lease liabilities	1.69 - 6.30	4,721,410	4,974,742	2,274,752	2,699,990	-
Hire purchase payables	2.07 - 6.43	829,164	881,633	363,493	518,140	-
Bankers' acceptances	3.81 - 5.58	16,131,935	16,131,935	16,131,935	-	-
Foreign currency loans	3.67 - 8.18	14,302,601	14,302,601	14,302,601	-	-
Revolving credits	5.28 - 6.56	4,500,000	4,500,000	4,500,000	-	-
Term loans	4.62 - 5.95	4,229,254	4,784,234	497,408	2,516,142	1,770,684
		71,916,823	72,777,604	65,272,648	5,734,272	1,770,684

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2025			
Other payables and accruals	140,267	140,267	140,267
Amount owing to subsidiaries	3,899	3,899	3,899
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	*	33,254,608	33,254,608
	144,166	33,398,774	33,398,774
2024			
Other payables and accruals	144,604	144,604	144,604
Amount owing to subsidiaries	8,358	8,358	8,358
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	*	36,370,586	36,370,586
	152,962	36,523,548	36,523,548

* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised since their fair value on initial recognition were not material.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may makes adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non- controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2025 RM	2024 RM
Term loans (Note 22)	3,742,303	4,229,254
Lease liabilities (Note 23)	4,008,210	4,721,410
Hire purchase payables (Note 21)	621,772	829,164
Bankers' acceptances (Note 26)	11,315,749	16,131,935
Foreign currency loans (Note 26)	18,257,082	14,302,601
Revolving credits (Note 26)	-	4,500,000
Trust receipts (Note 26)	900,623	-
	38,845,739	44,714,364
Less: Fixed deposit with licensed banks (Note 17)	(11,183,029)	(55,282,000)
Less: Cash and bank balances	(24,684,261)	(29,437,471)
Net debt/(Net cash)	2,978,449	(40,005,107)
Total equity	237,029,974	234,182,610
Debt-to-equity ratio	0.01	*

* Not applicable as the Group's cash and cash equivalents exceed its borrowings.

There were no changes in the Group's approach to capital management during the financial year.

40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments (Note 15)	10,117,165	18,078,991	10,117,165	18,078,991
Derivative assets (Note 16)	-	68,659	-	-
	10,117,165	18,147,650	10,117,165	18,078,991
<u>Amortised Cost</u>				
Trade receivables (Note 13)	67,993,901	63,543,097	-	-
Other receivables (Note 11)	995,137	2,090,529	-	-
Amount owing by subsidiaries (Note 14)	-	-	56,458,377	5,701,115
Fixed deposit with licensed banks (Note 17)	11,183,029	55,282,000	-	-
Cash and bank balances	24,684,261	29,437,471	334,097	399,804
	104,856,328	150,353,097	56,792,474	6,100,919

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial Liabilities				
<u>Fair Value Through Profit or Loss</u>				
Derivative liabilities (Note 16)	373,825	-	-	-
<u>Amortised Cost</u>				
Trade payables (Note 24)	22,214,762	21,511,862	-	-
Other payables and accruals (Note 25)	6,195,590	5,690,597	140,267	144,604
Amount owing to subsidiaries (Note 14)	-	-	3,899	8,358
Bankers' acceptances (Note 26)	11,315,749	16,131,935	-	-
Foreign currency loans (Note 26)	18,257,082	14,302,601	-	-
Lease liabilities (Note 23)	4,008,210	4,721,410	-	-
Hire purchase payables (Note 21)	621,772	829,164	-	-
Revolving credits (Note 26)	-	4,500,000	-	-
Term loans (Note 22)	3,742,303	4,229,254	-	-
Trust receipts (Note 26)	900,623	-	-	-
	67,256,091	71,916,823	144,166	152,962

40.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	1,315,157	603,538	1,383,816	540,761
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	1,295,047	800,918	243,193	1,111,956
Financial Liabilities				
<u>Fair Value Through Profit or Loss</u>				
Net losses recognised in profit or loss	(373,825)	-	-	-
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(619,813)	(4,190,126)	-	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 April 2025

40. FINANCIAL INSTRUMENTS (CONT'D)

40.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Group	RM	RM	RM	RM	RM	RM	RM	RM
2025								
<u>Financial Liabilities</u>								
Derivative liabilities:								
- forward currency contracts	-	373,825	-	-	-	-	373,825	373,825
Term loans:								
- floating rate	-	-	-	-	3,742,303	-	3,742,303	3,742,303
2024								
<u>Financial Asset</u>								
Derivative assets:								
- forward currency contracts	-	68,659	-	-	-	-	68,659	68,659
<u>Financial Liability</u>								
Term loans:								
- floating rate	-	-	-	-	4,229,254	-	4,229,254	4,229,254

(a) Fair Value of Financial Instruments Carried at Fair Value

- The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds).
- There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

41. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

i. Sales of a piece of leasehold land

On 16 May 2025, the subsidiary of the Company, WSKL entered into a Sale and Purchase Agreement to sell a piece of 99 years leasehold land expiring on 10 February 2113 with an area measuring approximately 612.61 square meters together with a two-storey semi-detached factory for a total consideration of RM6,280,000.

ii. Acquisition of a subsidiary

On 14 July 2025, the Company had entered into a Share Sale Agreement ("SSA") with third parties to acquire 100% equity interest in Syarikat Sim Ghee Auto Supply Co. Sdn. Bhd., for a total consideration of RM6,000,000 only.

LIST OF PROPERTIES

AS AT 30 APRIL 2025

No.	Title/Address	Existing use	Tenure of land/ Age of building	Land area/ built up area (sq feet)	Carrying Amount RM'000	Year of Acquisition
1	H.S.(D) 160852, PTD 28180 Mukim of Tebrau District of Johor Bahru State of Johor Darul Takzim/ No. 5, Jalan Dataran 5 Taman Kempas 81200 Johor Bahru Johor Darul Takzim	Warehouse cum office	Freehold/ 33 years	43,559/ 34,012	2,309	2005
2	H.S.(D) 160851, PTD 28179 Mukim of Tebrau District of Johor Bahru State of Johor Darul Takzim/ No. 7, Jalan Dataran 5 Taman Kempas 81200 Johor Bahru Johor Darul Takzim	Warehouse cum office	Freehold/ 31 years	43,560/ 23,025	3,789	2011
3	H.S.(D) 588788, PTB 4970 Bandar of Johor Bahru District of Johor Bahru State of Johor Darul Takzim/ No. 17, Jalan Kukuh Off Jalan Tampoi Kawasan Perusahaan Tampoi, Larkin 80350 Johor Bahru Johor Darul Takzim	Vacant land	60 years leasehold expiring on 21.01.2079/ 41 years	115,432/ 43,527	1,858	2009
4	H.S.(D) 120704, PT 27183 Mukim of Batu District of Kuala Lumpur State of Wilayah Persekutuan/ No. 28 & 30 Persiaran Segambut Tengah 51200 Kuala Lumpur	Warehouse cum office	99 years leasehold expiring on 27.06.2117/ 4 year	22,395/ 29,637	10,203	2008 & 2013
5	PN 197652, Lot 318007 Mukim of Hulu Kinta District of Kinta State of Perak Darul Ridzuan/ No. 10, Laluan Perusahaan Menglembu 6 Kawasan Perusahaan Menglembu 31450 Menglembu Perak Darul Ridzuan	Warehouse cum office	99 years leasehold expiring on 18.06.2098/ 20 years	7,201/ 5,400	227	2004
6	GM 3636, Lot 4740 Place of Payar Makbar Mukim of Kuala Kuantan District of Kuantan State of Pahang Darul Makmur/ Lot 4740, Jalan Wong Ah Jang 25100 Kuantan Pahang Darul Makmur	Vacant Warehouse cum office	Freehold/ 16 years	6,265/ 7,470	590	2008

List of Properties (Cont'd)

As at 30 April 2025

No.	Title/Address	Existing use	Tenure of land/ Age of building	Land area/ built up area (sq feet)	Carrying Amount RM'000	Year of Acquisition
7	H.S.M 72578, PT 104549 Place of Payar Makbar Mukim of Kuala Kuantan District of Kuantan State of Pahang Darul Makmur/ A249, Jalan Wong Ah Jang 25100 Kuantan Pahang Darul Makmur	Warehouse cum office	Freehold/ 14 years	1,345/ 3,887	735	2011
8	PM 3775/M1/1/1 (Lot 4360), PM3776/M1/1/1 (Lot 4361), PM3777/M1/1/1 (Lot 4362) & PM3778/M1/1/1 (Lot 4363), Bangunan M1, Tingkat 1, Petak 1 Mukim of Bachang District of Melaka Tengah State of Melaka/ G4, G5, G6 & G7, Blok B4 Jln Rahmat 3 Taman Malim Jaya 75250 Melaka	Warehouse cum office	99 years leasehold expiring on 12.04.2081/ 25 years	N/A/ 1,206 each	522	2008
9	H.S.(D) 27733 & 27734, PT 533 & 534 Seksyen 4 Bandar Butterworth District of Seberang Perai Utara State of Pulau Pinang/ No.3 & 5 Lorong Limbungan Indah 1 Taman Limbungan Indah 12100 Butterworth Pulau Pinang	Warehouse cum office	Freehold/ 14 years	1,432 each/ 3,894 each	1,543	2010
10	H.S.(M) 44365, PT 3663 (29, 29A, 29B) Place of Telok Gadong Besar Bandar of Klang District of Klang State of Selangor/ No.29, Jalan Jelai 10/KS1 Taman Teluk Gadong Besar 41200 Port Klang	Warehouse cum office	Freehold/ 16 years	1,604/ 4,750	711	2011
11	HS(D) 79442 PT 11320 Mukim Bandar Selayang Daerah Gombak Negeri Selangor Darul Eshan Lot 27, Jalan Perusahaan 1 Pusat Industri Amari Kawasan Perindustrian Batu Caves 68100 Batu Caves Selangor Darul Eshan	Warehouse cum office	99 years leasehold expiring on 10.02.2113/ 11 years	8,808/ 14,000	6,464	2014

List of Properties (Cont'd)

As at 30 April 2025

No.	Title/Address	Existing use	Tenure of land/ Age of building	Land area/ built up area (sq feet)	Carrying Amount RM'000	Year of Acquisition
12	GRN 540531 Lot 37460 Mukim of Kulai District of Johor Bahru State of Johor Darul Takzim No. 1051, Jalan Muhibah 1 Taman Perindustrian Muhibah 81400 Kulai Johor Darul Takzim	Terraced Factory	Freehold/ 7 years	2,400/ 4,800	858	2017
13	HS(D) 79428 PT 11306 Mukim Bandar Selayang Daerah Gombak Negeri Selangor Darul Eshan No. 20, Jalan Perusahaan Amari Pusat Industri Amari Kawasan Perindustrian Batu Caves 68100 Batu Caves Selangor Darul Eshan	Terraced Factory	99 years leasehold expiring on 10.02.2113/ 11 years	6,594/ 6,512	3,399	2015
14	Title Volume : 899 Folio : 194 Lot No. MK13-U85663N 10 Admiralty Street #01-86 Singapore 757695	Warehouse cum Office	60 years leasehold expiring on 08.10.2059/ 34 years	521	SGD1,056/ RM3,493	2017
15	H.S.(M) 3775, PT 15, Mukim Batu, Tempat Jalan Perusahaan Empat, Batu Caves, Daerah Gombak, Negeri Selangor No. 15, Jalan Perusahaan Empat, Perusahaan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan	Warehouse cum office	99 years leasehold expiring on 05.09.2074/ 32 years	43,487 / 30,224	19,410	2025
16	Geran Mukim 6046, Lot 5133, Mukim Kapar, Tempat 6 Mile Sungei Binjai Road, Daerah Klang, Negeri Selangor	Vacant land	Freehold	204,191	16,508	2025
17	Geran Mukim 2586, Lot 5134, Mukim Kapar, Tempat 6 Mile Sungei Binjai Road, Daerah Klang, Negeri Selangor	Vacant land	Freehold	204,191	17,013	2025

ANALYSIS OF SHAREHOLDINGS

AS AT 18 AUGUST 2025

Total Number of Issued Shares : 519,371,864
 Paid-Up Share Capital : RM 135,761,642
 Class of Shares : Ordinary Shares
 Voting Rights : One (1) Vote Per Ordinary Share
 Number of Holders : 2,967

DISTRIBUTION OF SHAREHOLDINGS

Category	Number of Holders	%	Number of Shares Held	%
1 - 99	167	6.060	7,263	0.001
100 - 1,000	388	14.078	125,423	0.024
1,001 - 10,000	709	25.726	4,351,192	0.838
10,001 - 100,000	1,126	40.856	43,203,297	8.318
100,001 - 25,968,592 *	363	13.171	320,195,656	61.651
25,968,593 and above **	3	0.109	151,489,033	29.168
Total	2,756	100.000	519,371,864	100.000

* less than 5% of issued shares

** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

No	Name of Director	Direct Shareholding	%	Indirect Shareholding	%
1	Ker Min Choo	102,534,189	19.742	7,868,231	1.515
2	Ker Keddy	5,322,000	1.025	-	-
3	Ker Hong	4,143,899	0.798	459,700	0.089
4	Ker Shiloong	43,056,000	8.290	-	-
5	Chai Yee Man	-	-	-	-
6	Tan Lay Beng	-	-	-	-
7	Tan Siew Peng	-	-	-	-

LIST OF SUBSTANTIAL SHAREHOLDERS

No	Name of Shareholder	Direct Shareholding	%	Indirect Shareholding	%
1	Ker Min Choo	102,534,189	19.742	7,868,231	1.515
2	Ker Shiloong	43,056,000	8.290	-	-
3	Ker Boon Kee	48,440,713	9.327	1,593,666	0.307

Analysis of Shareholdings (Cont'd)

As at 18 August 2025

LIST OF TOP 30 HOLDERS

No.	Name	Holdings	%
1	KER MIN CHOO	77,991,537	15.016
2	KER SHILOONG	43,000,000	8.279
3	KER BOON KEE	30,441,496	5.861
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KER MIN CHOO (8109400)	17,875,719	3.442
5	KER SOO HA	16,834,972	3.241
6	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KER BOON KEE (MY0847)	15,000,017	2.888
7	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR KEK MENG KAI, KENNICK (27962)	10,500,000	2.022
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NEO ENG HUI	10,454,000	2.013
9	NG CHIT PIN	10,335,599	1.990
10	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NEO ENG HUI (7001308)	9,393,366	1.809
11	KER KAI XIANG	7,275,033	1.401
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KENG HOW	7,026,033	1.353
13	KER EU JACK	5,000,000	0.963
14	KER KEDDY	5,000,000	0.963
15	KER KONI	5,000,000	0.963
16	KER VERENA	5,000,000	0.963
17	AMSEC NOMINEES (TEMPATAN) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR KEK KOK SWEE (27032)	4,786,900	0.922
18	TYE LIM HUAT	4,700,000	0.905
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SIOK WEE	4,488,000	0.864
20	WONG GUEY FEON	4,036,000	0.777
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SIOK WEE (7004890)	4,000,000	0.770
22	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KER KAI XIANG	4,000,000	0.770
23	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KER MIN CHOO (MY1335)	3,866,933	0.744
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KER MENG OI (8123728)	3,500,000	0.674
25	ALLIANCEGROUP NOMINEES (ASING) SDN BHD HAN XIANJUN (8111906)	3,383,066	0.651

Analysis of Shareholdings (Cont'd)

As at 18 August 2025

LIST OF TOP 30 HOLDERS (CONT'D)

No.	Name	Holdings	%
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KER YUN (6000621)	3,083,733	0.594
27	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KER HONG (PB)	3,000,000	0.578
28	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KER BOON KEE	3,000,000	0.578
29	WONG GUEY FEON	2,963,000	0.570
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD KER MENG OI	2,804,495	0.539
	Total	327,739,899	63.103

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting ("13th AGM") of Solid Automotive Berhad ("Solid" or "the Company") will be held at Holiday Villa Johor Bahru City Centre, Diamond 2, 10th Floor, No. 260, Jalan Dato' Sulaiman, Taman Abad, 80250 Johor Bahru, Johor, Malaysia on Thursday, 25 September 2025 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 April 2025 together with the Directors' and Auditors' reports thereon. **(Please refer to Note 1)**
2. To sanction the payment of Directors' fees for the financial year ending 30 April 2026, to be payable on quarterly basis in arrears. **RESOLUTION 1**
3. To re-elect the following Directors who retire in accordance with Clause 110 of the Company's Constitution:
 - 3.1 Mr. Chai Yee Man **RESOLUTION 2**
 - 3.2 Mr. Ker Hong **RESOLUTION 3**
4. To re-appoint the retiring Auditors, Messrs Crowe Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 4**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions:

6. **Ordinary Resolution**
Proposed Authority to Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016 ("CA 2016") and waiver of pre-emptive rights pursuant to the CA 2016

"**THAT**, subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 75 and 76 of the Companies Act 2016, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

THAT in connection with the above, pursuant to Section 85 of the CA 2016 to be read together with Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion to their holdings at such price and on such terms to be offered arising from any issuance of the new shares above by the Company."

RESOLUTION 5
7. **Retention of Independent Non-Executive Director, Ms Tan Lay Beng**

"**THAT** Ms Tan Lay Beng be retained as an Independent Non-Executive Director of the Company notwithstanding that she has served the Company for a cumulative term of more than nine (9) years in accordance with the Malaysian Code on Corporate Governance."

RESOLUTION 6
8. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

Notice of Thirteenth Annual General Meeting (Cont'd)

FURTHER NOTICE IS HEREBY GIVEN that for the purpose of determining who shall be entitled to attend the 13th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 18 September 2025 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

TAI YIT CHAN (SSM PC No. 202008001023) (MAICSA 7009143)

SANTHI A/P SAMINATHAN (SSM PC No. 201908002933) (MAICSA 7069709)

Company Secretaries

Johor Bahru

27 August 2025

NOTES:

1. Audited Financial Statements

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

2. Vote by way of poll

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice shall be put to vote by way of poll.

3. Form of Proxy

- i. A member of the Company who is entitled to attend and vote at the meeting, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a Member. There shall be no restriction as to the qualification of the proxy.
- ii. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
- iii. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
- iv. Appointment of proxies (2) where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple Beneficial Owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- v. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- vi. The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy, duly completed must be deposited at Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, drop-in box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. In the case of electronic appointment, the Form of Proxy must be deposited via TIH Online at <https://tiih.online>. Please refer to the Administrative Guide for further information on electronic submission. All Form of Proxy submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.

Notice of Thirteenth Annual General Meeting (Cont'd)

3. Form of Proxy (Cont'd)

- vii. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairperson of the meeting will act as your proxy.
- viii. Last date and time for lodging the Form of Proxy is Tuesday, 23 September 2025 at 10.00 a.m.
- ix. For the purpose of determining who shall be entitled to participate in the meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 75 of the Company's Constitution to issue a Record of Depositors as at 18 September 2025. Only members whose names appear in the said Record of Depositors shall be eligible to participate, speak and vote at the meeting or appoint proxy(ies) to participate, speak and vote on his/her behalf.
- x. A member is permitted to give the Company notice of revocation of a person's authority to act as proxy not less than forty eight (48) hours before the time appointed for holding the meeting. The notice of revocation must be in writing and be deposited at the registered office of the Company or by Electronic Communication, be send to TIIH Online at <https://tiih.online>.
- xi. Please bring along the ORIGINAL of the following documents (whichever applicable) for verification purposes at the registration counter:- (a) Identity Card (NRIC for Malaysian), or (b) Police report (for loss of NRIC for Malaysian), or (c) Passport (for Foreigner).

4. Explanatory Notes :

- i. **Ordinary Resolution 1** – To sanction the payment of Director's fees for the financial year ending 30 April 2026, to be payable on quarterly basis in arrears.

Section 230(1) of the CA 2016 provides that "fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this Annual General Meeting ("AGM") for the payment of Directors' fees to the Directors of the Company under Resolution 1.

Under Ordinary Resolution 1, the quantum of the Directors' fees proposed for the financial year ending 30 April 2026 of RM412,500.00 payable on the quarterly basis in arrears and assuming that all the Directors will hold office until the conclusion of the aforesaid financial year and there is an appointment of additional Board member(s) during the said financial year ending 30 April 2026. The total Directors' fees paid for the financial year ended 30 April 2025 did not exceed the amount of RM412,500.00 approved by the shareholders at the Company's Twelfth Annual General Meeting held on 26 September 2024.

The proposed Resolution 1, if passed, is to facilitate the payment of Directors' fees on a quarterly basis and/or as and when incurred. The Board opined that it is just and equitable for the Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company. In the event, where the payment of Directors' fees payable during the above period exceeded the estimated amount sought at this AGM, a shareholders' approval will be sought at the next AGM.

- ii. **Ordinary Resolution 2 and 3 – Re-election of retiring Directors**

Clause 110 of the Company's Constitution expressly states that at the Annual General Meeting ("AGM") in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office and be eligible for re-election.

Pursuant to Clause 110 of the Company's Constitution, Mr Chai Yee Man and Mr Ker Hong are standing for re-election at this AGM. The profile of Mr Chai Yee Man and Mr Ker Hong are provided on pages 4 and 5 of the Board of Directors' Profile in the Annual Report 2025.

- iii. **Ordinary Resolution 4 – Re-appointment of Auditors**

The Audit Committee and the Board have considered the re-appointment of Crowe Malaysia PLT as Auditors of the Company and collectively agreed that Crowe Malaysia PLT has met the relevant criteria prescribed under Paragraph 15.21 of the MMLR of Bursa Malaysia Securities Berhad. Crowe Malaysia PLT have indicated their willingness to continue their service to the Company.

Notice of Thirteenth Annual General Meeting (Cont'd)

4. Explanatory Notes (Cont'd):

iv. **Ordinary Resolution 5- Proposed Authority to Issue Shares Pursuant to Section 75 and Section 76 of the Companies Act 2016 ("CA 2016") and waiver of pre-emptive rights pursuant to the CA 2016**

The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued capital of the Company up to an amount not exceeding in total ten percent (10%) of the total issued and paid-up share capital of the Company for such purposes and to such person or persons as the Directors in their absolute discretion consider to be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The mandate sought under Ordinary Resolution 6 above is a renewal of an existing mandate and there was no proceed raised from the previous mandate up to the last practicable date, 18 August 2025.

The renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purposes funding current and/or future investment projects, working capital, repayment/paring down of borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

v. **Ordinary Resolution 6 – Retention of Independent Non-Executive Director, Ms Tan Lay Beng pursuant to the Malaysian Code on Corporate Governance:**

Ms Tan Lay Beng was appointed as an Independent Non-Executive Director on 18 August 2014. As at the date of the notice of the Thirteenth AGM, she has served the Company for more than nine (9) years. She has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"). The Board, therefore, considers her to be independent and believes that she should be retained as Independent Non-Executive Director based on the justifications as set out below:

- a. She fulfilled the criteria under the definition on Independent Non-Executive Director as stated in the MMLR of Bursa Malaysia Securities Berhad and therefore is able to bring independent and objective judgement to the Board.
- b. She has been with the Company for more than nine years as Independent Non-Executive Director and therefore understand the Company's business operations which enable her to participate actively and contribute during deliberations or discussions at Board meetings without compromising her independence and objective judgement.
- c. She has contributed sufficient time and efforts and attended all Board meetings.
- d. She has exercised her due care during her tenure as Independent Non-Executive of the Company and carried out her professional duties in the interest of the Company and shareholders.

Ms Tan Lay Beng shall be subjected to two tier voting in accordance with the Malaysian Code on Corporate Governance as she has served the Company for more than nine (9) years.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. There is no person seeking for election as Director of the Company at this Annual General Meeting except for the following Directors standing for re-election as follows:-

a. Mr. Chai Yee Man

(RESOLUTION 3)

b. Mr. Ker Hong

(RESOLUTION 4)

Further details of the above named Directors who are standing for re-election and their securities holdings in the Company are set out in the Profile of Directors on page 4 and 5 of this Annual Report respectively.

2. The general mandate for issuance of shares by the Company under Section 75(1) and 76(1) of the Companies Act 2016 is for the purpose of granting renewal of the mandate obtained from its shareholders at the Eleventh Annual General Meeting held on 27 September 2023. The Company did not issue any shares pursuant to this mandate obtained.

The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

**SOLID AUTOMOTIVE BERHAD**

Registration No. 201201032237 (1016725-P)
(Incorporated in Malaysia)

FORM OF PROXY

No of Shares Held	CDS Account No.

*I/We *NRIC No./Passport No./Company No. of
..... and telephone no./email address being
a *member/members of **SOLID AUTOMOTIVE BERHAD** (the "Company"), hereby appoint:

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

*and/or

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing *him/her, THE CHAIRPERSON OF THE MEETING as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Thirteenth Annual General Meeting of the Company, to be held at Holiday Villa Johor Bahru City Centre, Diamond 2, 10th Floor, No. 260, Jalan Dato' Sulaiman, Taman Abad, 80250 Johor Bahru, Johor, Malaysia on Thursday, 25 September 2025 at 10.00 a.m., or at any adjournment thereof.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	Payment of Directors' Fees		
2	Re-election of Retiring Director – Chai Yee Man		
3	Re-election of Retiring Director – Ker Hong		
4	Re-appointment of Retiring Auditors, Crowe Malaysia PLT		
5	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of pre-emptive rights.		
6	Retention of Independent Non-Executive Director – Tan Lay Beng		

Subject to the above stated voting instructions, *my/our proxy(ies) may vote or abstain from voting on any resolutions as *he/she/they may think fit.

Signed this day of, 2025

.....
Signature of Member/Common Seal of Member

*Strike out whichever is not desired.



Notes:

- i.

A member of the Company who is entitled to attend and vote at the meeting, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a Member. There shall be no restriction as to the qualification of the proxy.

Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.

A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.

Appointment of proxies (2) where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple Beneficial Owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.

The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy, duly completed must be deposited at Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, drop-in box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. In the case of electronic appointment, the Form of Proxy must be deposited via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for further information on electronic submission. All Form of Proxy submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.

vii.

Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairperson of the meeting will act as your proxy.

Last date and time for lodging the Form of Proxy is Tuesday, 23 September 2025 at 10.00 a.m.

For the purpose of determining who shall be entitled to participate in the meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 75 of the Company's Constitution to issue a Record of Depositors as at 18 September 2024. Only members whose names appear in the said Record of Depositors shall be eligible to participate, speak and vote at the meeting or appoint proxy(ies) to participate, speak and vote on his/her behalf.

A member is permitted to give the Company notice of revocation of a person's authority to act as proxy not less than forty-eight (48) hours before the time appointed for holding the meeting. The notice of revocation must be in writing and be deposited at the registered office of the Company or by Electronic Communication, be send to TIIH Online at <https://tiih.online>.

Please bring along the ORIGINAL of the following documents (whichever applicable) for verification purposes at the registration counter:- (a) Identity Card (NRIC for Malaysian), or (b) Police report (for loss of NRIC for Malaysian), or (c) Passport (for Foreigner).

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 13th AGM dated 27 August 2025.

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stamp

SOLID AUTOMOTIVE BERHAD
Registration No. 201201032237 (1016725-P)

C/O The Share Registrar
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
(Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Malaysia

Please Fold Here



岩石汽车工业集团

SOLID AUTOMOTIVE BERHAD

REGISTRATION NO. 201201032237 (1016725-P)

No. 5, Jalan Dataran 5, Taman Kempas,
81200 Johor Bahru, Johor.
Tel No.: (+607)-238 6363