

ANNUAL REPORT



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01 Corporate Information

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri Mohd Shariff Bin Omar

Chairman, Independent Non-Executive Director

Khat Chee How

Executive Director

Lim Siew Yeng

Executive Director

Loh Teck Wah

Executive Director

Chen Chuen Sum

Non-Independent Non-Executive Director

Dato' Sri Wira Ayub Bin Yaakob

Independent Non-Executive Director

Maggie Then

Independent Non-Executive Director

COMPANY SECRETARY

Mak Chooi Peng

(MAICSA 7017931) SSM PC NO. 201908000889

AUDIT COMMITTEE

Maggie Then

Chairman

Tan Sri Dato' Seri Mohd Shariff Bin Omar

Member

Dato' Sri Wira Ayub Bin Yaakob

Member

NOMINATION COMMITTEE

Dato' Sri Wira Ayub Bin Yaakob

Chairman

Chen Chuen Sum

Member

Maggie Then

Member

REMUNERATION COMMITTEE

Maggie Then

Chairman

Dato' Sri Wira Ayub Bin Yaakob

Member

Chen Chuen Sum

Member

AUDITORS

Grant Thornton Malaysia PLT (AF 0737)

(Member of Grant Thornton International Ltd)

Chartered Accountant

Level 11, Sheraton Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur, Malaysia

Tel No: +603 - 2692 4022 Fax No: +603 - 2732 5119

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

Stock Code: 4995 Stock Name: VERSATL

REGISTRAR

Tricor Investor & Issuing House Services

Sdn. Bhd.

Unit 32-01, Level 32, Tower A

Vertical Business Suite

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59200 Kuala Lumpur

Tel No: +603 - 2783 9299 Fax No: +603 - 2783 9222

Email: is.enquiry@my.tricorglobal.com

REGISTERED OFFICE

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Jalan Desa Bahagia, Taman Desa

58100 Kuala Lumpur

Tel No: +603 - 8084 3751

Email: cpmak@aconas.com.my

CORPORATE OFFICE

Lot 30745, Jalan Pandan Indah

Pandan Indah

55100 Kuala Lumpur Tel No: +603 - 4292 1288

Fax No: +603 - 4294 2388

Email: corporate.vcb@vc-b.com.my

PRINCIPAL BANKERS

RHB Bank Berhad Hong Leong Bank Berhad Public Bank Berhad Affin Bank Berhad AmBank Berhad

SOLICITOR

Rose Hussin Advocates & Solicitors

About Us



Being in the industry for more than 25 years, VCB continues to take pride in serving a majority of major companies from various industries in and around the region.

Our commitment in being the one-stop printing and packaging solutions provider is proven by our multitude of services, which ranges from product conceptualisation and design, to the finished product, warehousing and logistics.

Currently, our client base reads like a "Who's Who" in the industry, including major Fast-Moving Consumer Goods players such as, Dutch Lady, Malaysia Milk, Mamee, Mondelez and Danone; well-known pharmaceutical such as, Meditop, Ansell, and WRP; automotive Yokohama, SKF; Food & Beverage players, namely, QSR, The Coffee Bean & Tea Leaf, Baba's, and Quality Coils from the general consumer sector. Regionally, we also work with Medzah in the United States of America, KFC in Mongolia and SKF in China.

Through the years, we have established ourselves as a major player in the region. Whilst fulfilling their many needs, our track record in customer service has encouraged clients to stay on and keep working with us. From Versatile Creative Plastic Sdn Bhd being the main yogurt tub supplier and Versatile Paper Boxes Sdn Bhd as the pioneer of the laminated corrugated box, our clients continue to seek our expert service as they are confident in our reliability, and we have earned their trust with our outstanding products and services.



(Cont'd)

The Group's paper and plastic packaging products are currently carried out by the following subsidiary companies:



VERSATILE PAPER BOXES SDN. BHD.

Registration No: 198201013736 (93498-D)

We are one of the country's leading manufacturers of paper cardboard packaging products, and the first company to acquire the German-made Heidelberg Speedmaster CD 5-colour offset printing machine complete with computerised quality and register control system. We specialise in the production of offset printed cartons; laminated, corrugated, and die-cut boxes. VPB serves various clients from different industries such as Ansell, SKF, WRP, and QSR, and will continue to grow and gain quality standards throughout the industry. Versatile Paper Boxes Sdn. Bhd. is certified with ISO9001:2015, ISO14001:2015, FSSC 22000 V6 and FSC CoC. Versatile Paper Boxes Sdn. Bhd. is also a member of SEDEX and UL.



VERSATILE CREATIVE PLASTIC SDN. BHD.

Registration No: 198501012620 (145075-W)

We are the country's leading manufacturer of food-grade plastic packaging products, certified with FSSC 22000v:5:1, ISO9001:2015 and HACCP. Our specialisation is in injection molding and thermoforming. By investing in and utilising the state-of-the-art machines and precision molds, we were able to produce our worldwide patented combo lids, dairy scoops, chilled food tubs and lids, and noodle cups. We also provide our clients with product design and packaging consultations.



IMAGESCAN CREATIVE SDN. BHD.

Registration No: 199201013273 (244776-A)

We are one of the industry's most trusted names in colour separation and an award winner of the Epson Award for Best in Digital Colour Proofing at the Asian Print Award 2004. We offer services ranging from printing, high resolution scanning and inkjet proofing to desktop publishing, synology backup and media digital transmission.

(Cont'd)





OUR VISION

We strive to be an outstanding and preferred global supplier of innovative, versatile, cost-effective, and the best delivery and products to all our customers.



OUR MISSION

- To be acknowledged as an outstanding and preferred supplier of packaging materials, and recognised as such by customers, suppliers and employees.
- To research and develop products that will bear the "Versatile" name, instead of only providing services.
- To achieve profitability, cost-control and efficiency so to meet the aspiration of shareholders, employees, and customers.
- To have a team of professional, loyal, and dedicated managers to lead the company for further growth, expansion and continuous improvement.
- To have a team of motivated and well-trained workforce with a fair rewarding system, and a safe, clean, harmonious, and conducive working environment.
- To be a responsible corporate citizen towards the community and the environment.

(Cont'd)

The Group's trading, wholesale and retail grocery business and other grocery related businesses are currently carried out by the following subsidiary companies:



Registration No: 202001034331 (1390652-V)

VN Trading Sdn. Bhd. ("VN Trading") was incorporated pursuant to a Collaboration Agreement entered into between the Company and NSK Trading Sdn. Bhd. on 20 October 2020 to jointly undertake trading, whole-sale and retail grocery business. Currently, we have eight (8) grocery outlets in the Klang Valley. As at to date, the subsidiary companies of VN Trading are as follows:

- **NSK Grocer (KL) Sdn. Bhd.** was incorporated on 27 January 2021 to carry on the business as an operator of supermarkets and hypermarkets, wholesaler, retailer, online retailer, importer, exporter, buyer, seller, dealer, distributor and food processing, packaging of all types of consumer products, goods, merchandise, produce, foodstuffs and commodities.
- Oriental Mart Sdn. Bhd. was incorporated on 12 July 2022 to carry on the business as an operator
 of supermarkets and hypermarkets, wholesaler, retailer, online retailer, importer, exporter, buyer,
 seller, dealer, distributor, food processing and packaging of non-halal grocery, liquor & wine
 business and general trading for food and beverages.
- **Winetopia Sdn. Bhd.** was incorporated on 27 April 2023 to carry on the business of retailing and trading of wine and liquor.
- Cheers Hub Sdn. Bhd. was incorporated on 28 June 2023 to carry on the business of retail sale of alcoholic beverages and liquor, vintry, wine bar, restaurant and cafe.







DEAR VALUED SHAREHOLDERS,

ON BEHALF OF THE BOARD OF
DIRECTORS ("THE BOARD") OF
VERSATILE CREATIVE BERHAD ("VCB")
AND ITS SUBSIDIARIES
("THE GROUP"), I AM PLEASED TO
PRESENT THE ANNUAL REPORT FOR
THE FINANCIAL YEAR ENDED
31 MARCH 2025 ("FYE 2025") ""

CHAIRMAN'S STATEMENT

(Cont'd)

For FYE 2025, the Group operated in an increasingly complex and uncertain macroeconomic environment. A combination of global headwinds and domestic pressures continued to influence the Group's operational performance, demand outlook, and cost structures.

The continuation of elevated interest rates by major central banks, aimed at curbing inflation, contributed to a higher cost of capital and restrained consumer spending. This environment presented challenges for investment expansion and working capital management, particularly for capital-intensive operations within the Group.

The subdued pace of global recovery, particularly in China, alongside weak demand from key export markets, weighed on sales volume and manufacturing orders in certain segments. This had downstream effects on inventory levels and capacity utilisation.

The ongoing Russia-Ukraine conflict and the escalation of the Palestine-Israel war created additional uncertainty in global trade. Selected business segments faced disruptions due to shifting trade routes, rising insurance and logistics costs, and consumer sensitivity linked to global boycott movements.

Global energy price volatility continued to exert upward pressure on input and transportation costs. The Group undertook active cost containment measures and energy efficiency initiatives to manage margin compression, particularly in manufacturing operations.

Increasing ESG regulatory requirements and stakeholder expectations prompted the Group to strengthen its sustainability governance, reporting frameworks, and climate adaptation measures. Disruptions from environmental events also underscored the need for enhanced business continuity planning.

In response to these challenges, the Group focused on enhancing operational resilience through strategic cost optimisation, diversification of sourcing strategies, and product innovation. These measures were integral to safeguarding profitability and positioning the Group for sustainable long-term growth despite prevailing market uncertainties.

FYE 2025 was a year marked by persistent macroeconomic uncertainties, yet the Group demonstrated resilience and agility across its core

businesses in grocery and manufacturing of paper and plastic products.

Despite these challenges, the Group remained focused on delivering value to customers while enhancing operational efficiency and ensuring long-term sustainability.

Grocery Division: Expanding Consumer Reach

Our Grocery Division was a key growth driver during the year, contributing RM335.88 million or 89.45% of the Group's revenue. With eight (8) strategically located outlets across the Klang Valley, the division capitalised on rising consumer demand for freshness, affordability, and product variety.

Amid inflationary pressures and cautious consumer spending, we prioritised the consistent availability of fresh products and deliver a superior in-store experience. By focusing on quality, value, and customer satisfaction, we enhanced store operations to align with evolving consumer expectations and successfully drove an increase in basket size per transaction.

Looking ahead, we remain committed to expanding our presence in high-potential urban locations, reinforcing our position in the competitive modern grocery landscape and capturing future growth opportunities.

Manufacturing Division: Driving Efficiency and Innovation

The Manufacturing Division, comprises the Paper Product and Plastics Product segments, recorded RM38.98 million in revenue, a modest decline from RM40.68 million in the previous year. The decrease was primarily due to softer demand from the local-based customer.

In response, the Group initiated cost containment measures, explored material substitution options, and continued its investment in process optimisation. These initiatives are aimed at sustaining competitiveness, reducing waste, and improving turnaround times for our clients.

By strengthening client relationships, enhancing customer satisfaction, and diversifying our customer base, we are positioning the division for more resilient and sustainable growth.

CHAIRMAN'S STATEMENT

(Cont'd)

Sustainability Commitment

We view sustainability as essential to our long-term success. Across our operations, we continue to embed responsible practices, be it through improving energy efficiency in production or ensuring ethical sourcing in our retail segment. Our goal is to balance business growth with positive environmental and social impact.

The management of the 11 key sustainability matters have been disclosed in this year's Sustainability Statement. These reflect our commitment to transparency, stakeholder engagement, and long-term value creation.

Outlook and Forward Strategy

As we move into the next financial year, our strategic priorities remain focused on expanding our grocery business and deepening customer loyalty. In the manufacturing segment, we aim to optimise production efficiency, reducing costs without compromising on quality, and strengthen ESG compliance to support our customers' sustainability goals and reinforce our competitive position. While global uncertainties may persist, we remain confident that our diversified business model, anchored in consumer relevance, operational excellence, and resilience, will enable us to adapt, grow, and thrive in a dynamic operating environment.

Appreciation

The Board and I are proud of Team Versatile and their demonstration of teamwork and relentless efforts towards outstanding results for the Group for FYE 2025. On that note, and on behalf of the Board, I would also like to express our sincere appreciation to Team Versatile for their resilience and dedication.

My warmest regards are also extended to our shareholders, esteemed customers and suppliers, financial institutions and other stakeholders for their continued support and confidence in the Group. I believe that team Versatile, with the guidance of the Board and support from the management, will prevail in strengthening adoption of various initiatives for sustainability to meet standards and demand, thus enhancing a sustainable future for the Group moving forward. May we continue to work together and strive forward to reach for more opportunities and achieve business growth and success for the betterment of the Group in the coming years.

Tan Sri Dato' Seri Mohd Shariff Bin Omar

Independent Non-Executive Chairman

22 July 2025



Chairman, Independent Non-Executive Chairman Malaysian, Male, Age 78

Tan Sri Dato' Seri Mohd Shariff Bin Omar was appointed to the Board of Directors of Versatile Creative Berhad ("Board") on 30 August 2018 as an Independent Non-Executive Director. He was subsequently appointed as Chairman of the Board on 25 October 2018. He is also a member of the Audit Committee of the Company.

Tan Sri holds a Bachelor's Degree in Economics majoring in Rural Development, University Malaya. He began his career in civil service in 1972 as the Assistant District Officer of Pekan, Pahang and continued to serve the State of Perak and Penang until 1982. His political career started when he won the State Seat of Sungai Dua in the 1982 General Election. He then served as a member of Penang State Legislative EXCO from 1982 until 1990, and was subsequently appointed as the Parliamentary Secretary for Ministry of Agriculture in 1990 until 1995. Between 1995 and 1999, he was appointed as Deputy Chief Minister of Penang. He returned as a Member of Parliament for another 2 terms from 1999 until 2008, and during that period he was appointed as Deputy Minister of Agriculture and Agro-Based Industry.

Tan Sri is also a Director of Serba Dinamik Holdings Berhad. He has no family relationship with any directors and/or substantial shareholders of the Company.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

(Cont'd)



Executive Director and Key ManagementMalaysian, Male, Age 40

Mr. Khat Chee How was appointed to the Board on 30 August 2018 as an Executive Director.

He holds a Bachelor's Degree in Business Administration (Honours) and is a member of the Malaysian Institute of Chartered Secretaries and Administrators. Mr. Khat has more than 10 years of working experience particularly in corporate planning, fund raising, corporate secretarial, investors relation activities, tax planning, financial management and risk management in various industries and mainly attached to the corporate office of public listed companies.

He is also the key management of the Group principally involved in corporate matters and the operation of the Paper Product Division.

Mr. Khat has no other directorship in any public or listed companies but holds directorships in the Company's subsidiary companies. He has no family relationship with any director and/or substantial shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

(Cont'd)



Executive Director and Key ManagementMalaysian, Female, Age 34

Ms. Lim Siew Yeng was appointed to the Board on 30 August 2018 as an Executive Director.

She holds a Diploma in Advertising Design. Ms. Lim started her career in 2013 and holds various managerial posts in sales, operations, cash and inventory management in both the retail and the food and beverage industries.

Currently, Ms. Lim is also the key management principally responsible for the Plastics Product Division and Grocery Division of the Group.

Ms. Lim is the daughter of Mr. Lim Chou Bu, who is a major shareholder of the Company through his interest held in NSK Trading Sdn. Bhd. She has no other directorship in any public or listed companies but holds directorships in the Company's subsidiary companies. She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

(Cont'd)



Executive Director and Key ManagementMalaysian, Male, Age 52

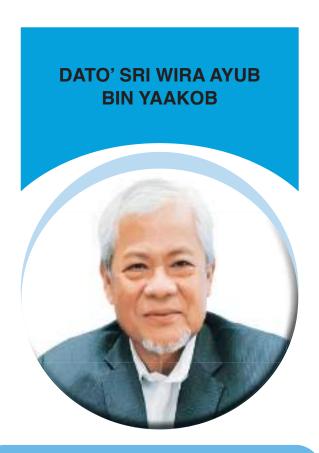
Mr. Loh Teck Wah was appointed to the Board on 22 November 2018 as an Independent Non-Executive Director. He was subsequently redesignated as an Executive Director of the Company on 25 June 2020.

He holds a Degree in Accounting and Finance from Middlesex University, United Kingdom. Mr. Loh started his career in banking since 1996. He rose from a junior officer position to his final position of vice president in a local financial institution before he left the banking industry to venture into his own business in fund raising consultancy services, corporate advisory services, equity and property investment and food & beverage distribution.

He is also the key management of the Group and spearheading the Grocery Division.

Mr. Loh has no other directorship in any public or listed companies but holds directorships in the Company's subsidiary companies. He has no family relationship with any director and/or substantial shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

(Cont'd)



Independent Non-Executive Director Malaysian, Male, Age 71

Dato' Sri Wira Ayub Bin Yaakob was appointed to the Board on 30 August 2018 as an Independent Non-Executive Director. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee and Audit Committee of the Company.

He holds a Diploma in Public Administration from MARA Institute of Technology, a Diploma in Police Science from Universiti Kebangsaan Malaysia and a Certificate in Sustainable Leadership from Wolfson College, University of Cambridge, United Kingdom.

Dato' Sri Wira Ayub has served the Royal Malaysia Police for 38 years since 1977 to 2014 in several departments which include the Criminal Investigation Department, Logistic, Training and Management. He also served as the Chief Police Officer of Melaka, Terengganu and Pulau Pinang before he was appointed as Director of the Crime Prevention and Community Safety Department in 2012. He retired in 2014 with the rank of Commissioner of Police.

He was the Chairman of Royal Malaysia Police Cooperative Berhad and is presently the Senior Vice Chairman of the Malaysian Crime Prevention Foundation. He also sits on the Asia Professional Security Association Committee and other social institutions.

Dato' Sri Wira Ayub has no other directorship in any public or listed companies, and has no family relationship with any director and/or substantial shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

(Cont'd)



Non Independent Non-Executive Director Malaysian, Male, Age 65

Mr. Chen Chuen Sum was appointed to the Board on 1 October 2022 as Non-Independent Non-Executive Director. He is also a member of the Nomination Committee and Remuneration Committee of the Company.

Mr. Chen graduated with B.Sc in Business (Finance) from Montana State University, Bozeman, United States.

Mr. Chen has more than 30 years of working experience in the financial industry covering various areas including Credit and Marketing (Leasing and Hire-Purchase) and Commercial Banking. He began his career in Credit and Marketing (Leasing and Hire-Purchase) division where he was responsible for the marketing

of hire-purchase and leasing facilities, and evaluate applicants and loan documentation. He was able to secure a significant amount in leasing and hire-purchase facilities on the back of an economy in recession. In 1987, he joined Malaysian French Bank Berhad (now known as Alliance Bank Malaysia Berhad). He was actively involved in Commercial Banking covering Credit and Marketing, Branch Banking, Priority Banking, Business Development Centre and Regional Sales, Risk Management and Compliance. In 2007, he joined RCE Factoring Sdn Bhd as a General Manager/Director for 7 years. In RCE, he was responsible in managing a factoring house which includes planning, organising and implementing strategic plan to grow market share, to provide leadership to sales team to increase SME market business and organizing sales events/activities and local prospecting to grow new existing business, and to ensure all teams maintain proper operational controls and compliance with policies and procedures. He was the Chairman of the Malaysian Factors Association until March 2015. In 2016, he joined Nexgram Holdings Berhad as Executive Director until 2017.

Apart from being a director in NSK Trading Sdn. Bhd., a major shareholder of Versatile Creative Berhad, Mr. Chen has no other directorship in any public or listed companies, and has no family relationship with any director and/or substantial shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

(Cont'd)



Independent Non-Executive Director Malaysian, Female, Age 42

Ms. Maggie Then was appointed to the Board on 24 January 2019. She is the Chairperson of the Audit Committee and Remuneration Committee and a member of Nomination Committee of the Company.

Ms. Maggie Then is a Fellow member of the Association of Chartered Certified Accountants (ACCA) and a member of the Malaysian Institute of Accountants (MIA).

She has more than 15 years of working experience in financial reporting and management. She was an Accountant in a forwarding company, responsible for financial reporting and budgeting, cash and fixed asset management. She subsequently joined a FMCG

company as Financial Reporting Manager, where she handled the company's statutory reporting requirements, assisted in its internal SOX audit review and also provided technical advice on any shortfalls of actual business performance from the budget forecast. Maggie's expertise was recognised and she was subsequently offered a position as the Finance Manager in a listed company involving in information technology. There, she was given additional responsibilities in coordinating the company's corporate exercises. She also attended board meetings to present the group's quarterly financial results and submitted the results to the stock exchange for public announcements.

Maggie has no other directorship in any public or listed companies, and has no family relationship with any director and/or substantial shareholder of the Company. She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

The Board of Directors of Versatile Creative Berhad ("Board") is pleased to present this Management Discussion and Analysis for the financial year ended 31 March 2025 ("FYE 2025"), which provides an insight into the Group's business and economic, financial performance and perspective for risk management for FYE 2025.

Business & Economic Insight

In 2024, global economic growth remained sustained at 3.2% (2023: 3.3%), underpinned by resilient domestic demand and a rebound in global trade activity. The economy of the United States of America (US) outperformed expectations, driven by robust consumer spending. Growth in the European region also improved as the economic drag from the Ukraine conflict continued to ease. In contrast, China's economic performance was weighed down by persistent weakness in its property market and subdued consumer sentiment. Nonetheless, policy support and export recovery helped sustain China's growth at a relatively stable level.

Global trade recorded a notable rebound with growth of 3.4% (2023: 0.7%), supported by the global technology upcycle and increased investments in digitalisation and green energy transitions. Additionally, international tourism continued its recovery trend, while supply chain conditions improved as early-year trade route disruptions subsided.

Headline inflation globally moderated in 2024, largely due to lower commodity prices and normalisation in supply chains. However, disinflation was uneven across regions. Advanced economies entered varying phases of monetary policy easing, depending on their inflation trajectory. Oil prices declined during the year amid weaker-than-expected demand in China and increased supply from non-OPEC producers, particularly the US shipping costs, which surged earlier in the year due to trade rerouting, normalised in the second half as port congestion eased. While advanced economies generally continued along disinflation paths, inflation in emerging markets stayed below historical averages.

Global financial conditions began to loosen in the second half of 2024, following monetary policy easing by major central banks. The US Federal Reserve's policy shift prompted investors to rebalance portfolios, resulting in increased portfolio inflows into emerging markets and strengthening regional currencies. However, part of this was reversed post-US elections, as markets priced in expectations of inflationary policies by the new administration and a more gradual easing cycle in 2025.

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Malaysian Economy and Financial Markets

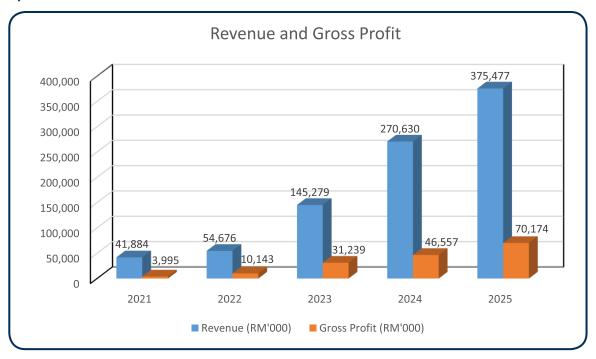
Malaysia's financial markets in 2024 were influenced by global monetary policy shifts, particularly those of the US Federal Reserve. Domestic bond yields rose at the 5-year and 10-year tenures, broadly in line with regional trends. Net non-resident inflows into Malaysian debt securities reflected continued investor confidence in the country's economic prospects and fiscal credibility.

The equity market recorded gains, supported by stronger economic performance, a stable political environment, and improved earnings prospects. Market sentiment was also buoyed by the Government's ongoing implementation of key economic masterplans, including the National Energy Transition Roadmap (NETR) and the New Industrial Master Plan 2030 (NIMP 2030).

Despite external uncertainties, including US interest rate policy shifts and election outcomes, pressures on the Malaysian Ringgit (RM) were partly mitigated by coordinated interventions from the Government and Bank Negara Malaysia (BNM). These measures encouraged more timely repatriation and conversion of foreign earnings by resident corporations and institutional investors. As a result, the RM was among the few Asian currencies that appreciated against the United States Dollar (USD) in 2024.

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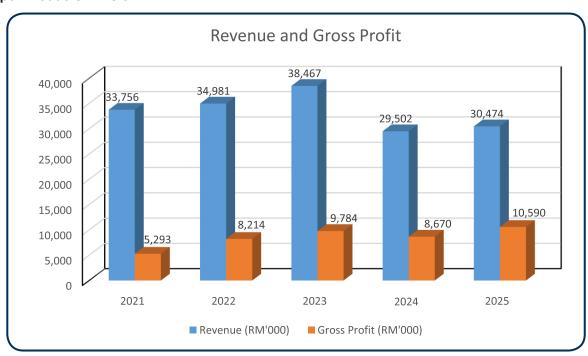
Group Financial Performance



For FYE 2025, the Group recorded revenue of RM375.48 million, which represents a significant increase of RM104.85 million as compared to the revenue of RM 270.63 million for the financial year ended 31 March 2024 ("FYE 2024"). The increase was mainly due to revenue generated from an additional grocery outlet opened during FYE 2025, as well as a rise in customer footfall.

Gross margin improved to 18.69% in FYE 2025, up from 17.20% in FYE 2024. The increase in profitability was mainly attributable to higher gross profit margins from the Grocery Division and Paper Product Division, partially offset by a margin contraction in the Plastic Product Division.

Paper Products Division

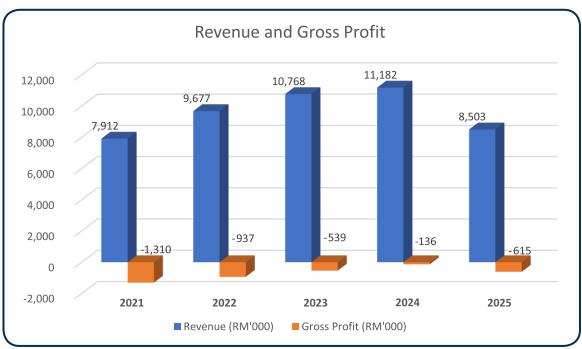


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Paper Products Division recorded revenue of RM30.47 million for FYE 2025, representing an increase of RM0.97 million or approximately 3.29% compared to RM29.50 million in FYE 2024. The increase was driven by higher demand from overseas customers, partially offset by lower demand from local customers.

The division's gross margin improved to 34.75% in FYE 2025, up from 29.39% in FYE 2024. The higher margin was attributable to continuous improvements in production efficiency, cost rationalisation initiatives, and the introduction of a new range of higher-margin products.

Plastic Products Division

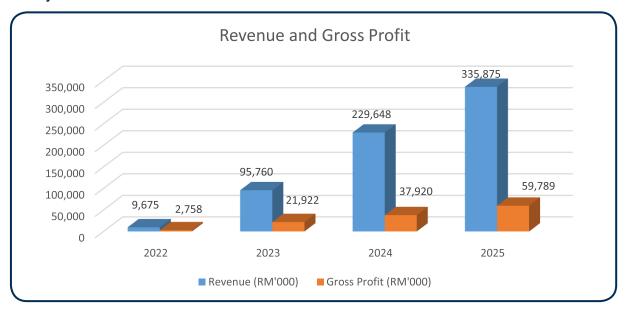


For FYE 2025, the Plastic Product Division recorded revenue of RM8.50 million, which represents a decrease of RM2.68 million or approximately 23.96% as compared to the revenue of RM11.18 million in FYE 2024 due to the discontinued product of a major customer and lower demand from the existing customers.

Plastic Product Division's gross margin for FYE 2025 showed a drop by 6.02% as compared to FYE 2024, which resulted from lower production capacity and efficiency, attributed to reduced sales during FYE 2025.

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Grocery Division



The Grocery Division recorded a significant increase in revenue of RM335.88 million in FYE 2025, compared to RM229.65 million in FYE 2024, following the opening of a new outlet during the FYE 2025 and a rise in customer footfall.

In tandem with the higher revenue, the Division's gross margin improved to 17.80% in FYE 2025, up from 16.51% in FYE 2024, reflecting enhanced cost efficiency or a more favourable sales mix.

Perspective on Risk Management

The Board is mindful and continues to monitor the various risks that the Group is exposed to in pursuance of its growth and diversification strategies. The Group's risk exposure arising from its business activities includes, amongst others, the following risk factors:-

i. Economic Risk

The global economy continues to face significant challenges due to prolonged geopolitical tensions, supply chain disruptions, energy crises, elevated interest rates, and persistent inflation. These factors, compounded by the aftermath of the COVID-19 pandemic and the Russia-Ukraine conflict, have created volatile market conditions and heightened the risk of a global recession.

With global recession a forgone conclusion coupled with innumerable uncertainties mentioned, challenges abounded in such negative economic conditions in the months or a year ahead, while recovery is anticipated and expected in the year 2025 at the earliest period following the current situation. These challenges include slower sales due to weakening demand and soft consumer sentiment, tightening of working capital availability due to delay in payment from or delinquency of customers, cost pressure due to the increasing costs of raw materials and energy costs.

In spite of the numerous challenges aforementioned that affected the business operations of the Group, the management undertook various measures, such as, proactive and prompt actions taken to ensure efficient productivity with good quality products produced, closely following up with the customers to preserve the existing sales by the Group arising from the triple headwinds, close monitoring of collections from customers, prudent working capital planning and cash preservation measures, rational cost saving measures, obtained financial assistance via the stimulus packages introduced by the Malaysian government earlier, as well as enforcement of strict safety and health measures to prevent the spread of COVID-19 in the factory premises.

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ii. Volatile Key Raw Material Price

As the Group is engaged in the manufacturing of corrugated boards and carton boxes, the main raw materials used were the paper rolls, which accounted for more than 60% of the total cost of production. As a result, the Group is exposed to the risk of volatility in raw material prices such as paper rolls as well as the consistency of their supply. The price of paper rolls is subjected to fluctuations based on the commodity price of wood pulp. Therefore, the price fluctuation may significantly affect the cost of corrugated boards, carton boxes and paper-based stationery products produced. It is especially critical presently, as a consequence of the global supply chain interruption and container insufficiency concern, along with other factors such as the Russia-Ukraine war, inflationary pressures and the energy crisis apart from the pandemic concern. Hence, the demand for paper that began outstripping its supply had driven the fluctuation and increment in paper roll prices significantly, resulting in the increase in selling price to customers.

To mitigate the impact of rising cost without compromising profit margin and quality of products, the Group has implemented several initiatives. These include strict monitoring of raw materials cost, increasing production efficiency through production optimisation and reducing wastage. The Group also maintains close communication with suppliers to ensure swift and effective responses to market volatility. In addition, the Sales and Marketing Department of respective subsidiaries continue to implement reasonable and timely cost pass-through measures by adjusting selling prices in order to ensure long term sustainability.

iii. Foreign Currency Risk

In the near foreseeable future, stemming from the imminent global recession and inflationary pressures with enormous uncertainties that might severely affect the global economic condition, we expect the operating environment the Group faces to be challenging and intense, especially in the context of the RM against USD and Singapore Dollar ("SGD"), as these developments may affect the Group's profit margin. The Group is exposed to foreign currency risk primarily through sales of paper-based stationery products as well as purchases of raw materials, i.e. paper rolls and machineries that were transacted in USD and SGD as a result of the strengthening USD and SGD against RM.

The Group does not practice any active hedging of foreign currency due to unpredictable fluctuation of foreign currency, especially in this volatile economic condition. The management of foreign currency risk is performed through close monitoring of foreign currency movement with limited hedging through forward contracts when necessary and prudent cash flow planning by the Management. In order to reduce the impact of foreign currency on the cost of paper packaging and paper-based stationery products produced, the Group reduced its dependency on the import of paper rolls from overseas by substituting the consumption requirements through local sources.

iv. Credit Risk

Customers' credit risk increased in response to the weak market sentiment and such risk is expected to heighten, given the enormous uncertainties regarding the recovery of global and local economic conditions. The Group adopted a feasible sales and marketing approach balanced with prudent credit management and sustainable sales growth. Comprehensive credit management policy and processes had been put in place in that respect, whereby credit management is further enhanced by employing proactive credit monitoring, negotiation of temporary measures for payment delay, if necessary, and tightening credit. Despite the demanding backdrop and market uncertainties that impacted most of the companies' business operations, most of the Group's trade debtors have generally made their payments within the approved credit periods.

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FUTURE OUTLOOK

The Group is taking proactive and prudent measures to preserve its position as one of the market leaders in the paper packaging industry in Malaysia. With various countermeasures implemented in response to the triple headwinds, the Group expects to maintain a reasonable performance relative to its industry peers in the current and coming years.

Nevertheless, the Board maintains a cautious outlook for the Group's performance in the financial year 2026, as the business environment continues to be incredibly challenging amid worsening geopolitical crisis, persistent inflationary pressures, political instability and other uncertainties apart from pandemic. Although the operating landscape remains volatile, the Group will remain agile while navigating the headwinds and keeping steadfast in enhancing the customers' experience. The Group will continue its efforts to align its business strategies, improve operational efficiency and product quality in navigating through the challenging and intensely competitive market environment.

For Grocery Division, the Board will continue to strengthen brand visibility through enhanced marketing efforts and plans to open additional outlets in the current year to deepen into the market niche. The Board is optimistic that the Grocery Division will provide a long-term growth prospect for the Group due to the constant demand for grocery products, which are essential for every household.

DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been drawn up in accordance with the provisions of the Companies Act 2016, applicable financial reporting standards and approved accounting standards in Malaysia. The Directors take responsibility in ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year, and of the results and the cash flows of the Group and the Company for that financial year then ended.

In preparing the financial statements, the Directors have ensured that:-

- the Group and the Company have adopted the appropriate accounting policies and applied them consistently;
- all statements are supported by reasonable and prudent judgements and estimates;
- all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- the financial statements are prepared on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company maintain proper accounting records that disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling the financial statements to be complied with the regulatory requirements.

The Directors have overall responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The Board of Directors of Versatile Creative Berhad ("VCB" or "the Company") ("Board") is pleased to provide an overview of the corporate governance practices of VCB and its subsidiary companies ("Group"), which summarises the Group's application of the principles and recommendations of the Malaysian Code on Corporate Governance ("MCCG") throughout the financial year ended 31 March 2025 ("FYE 2025").

This Corporate Governance Overview Statement ("this Statement") is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and should be read together with the Corporate Governance Report 2025 of the Company ("CG Report"), which can be found at www.vc-b.com. The CG Report provides detailed disclosure on the Group's application of, and departures from, including alternative practices of the principles and recommendations of the MCCG.

In general, the Group has complied with all material aspects of the principles set out in the MCCG throughout FYE 2025 to achieve the intended outcome.

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MCCG

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1.1 The Board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met

The Group is led and controlled by an effective Board that is responsible for the overall business conduct of the Group, with priorities given on strategic management, risk management, internal control, succession planning and monitoring Management's performance. The Board also undertakes full responsibility on issues concerning the Group's financials, strategies, compliances, governance and other operational matters while protecting the interests of the Group's stakeholders.

Whilst decision-making for the day-to-day business operations of the Group is delegated to the Executive Directors within the limits of authority set, the Independent Non-Executive Directors provide independent advice and views so as to provide a check and balance in the Board decision making process. Accordingly, the Board confers some of its authority and responsibilities to the Executive Directors towards achieving the Group's goals as well as executing the strategies and business plans approved by the Board.

The Board has established and delegated specific responsibilities to three (3) Board Committees, namely, the Audit Committee ("AC"), Nomination Committee ("NC"), and the Remuneration Committee ("RC"), which operate within clearly defined written terms of references. The Board reviews the Board Committees' authority and their terms of reference from time to time to ensure their relevance. The Board Committees deliberate the issues on a broad and in-depth basis before putting up any recommendation to the Board for decision. The ultimate responsibility for decision making lies with the Board.

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1.2 A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

The Chairman plays a pivotal role in ensuring the effectiveness of the Board by providing leadership to the Board in ensuring that the Board carries out its functions effectively, manages the interface between Board and Management, as well as promote and oversee the highest standards of corporate governance across the Company. The Chairman also assumes a pivotal role as the facilitator in chairing all Board meetings and the general meetings, ensuring such meetings are conducted in an orderly manner to promote constructive communication whereby Directors and shareholders are able to express their views or opinions openly.

1.3 The positions of Chairman and Chief Executive Officer are held by different individuals.

The Chairman of the Company is an Independent Director. The Company does not have the intention to appoint a Chief Executive Officer for the time being. The operations of the Group are currently managed by three (3) Executive Directors.

The Group has a clear distinction and separation of roles between the Chairman and each of the Executive Director, with clear division of responsibilities in order to ensure a clear balance of power between the Chairman and the Executive Directors. The Chairman leads the Board in its collective oversight of management, while the Executive Directors are primarily responsible for the day-to-day business operations of the Group, developing the business direction of the Group, ensure that the business strategies and policies are effectively implemented and to explain, clarify and inform the Board on matters pertaining to the Group.

1.4 The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

Currently, the Chairman of the Board is also a member of the Audit Committee. The Company believes that the inclusion of the Chairman in the Audit Committee is justified given his strong background and vast experience.

The Board will discuss this matter and evaluate on whether to bring in another independent director to sit in the Audit Committee.

1.5 The Board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

The Board is supported by an experienced and qualified Company Secretary who is a qualified professional and a member of one of the prescribed bodies in the Companies Act 2016. The Company Secretary is responsible for advising the Board on regulatory as well as governance matters and directives from time to time. The Company Secretary attends all meetings and ensures the meetings are convened properly, ensures accurate and proper records of the proceedings as well as resolutions passed are recorded and maintained in the statutory register of the Company.

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1.6 Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

The schedule of all Board meetings and Board Committee meetings is set in advance at the beginning of every calendar year. The meeting agenda, the relevant reports and Board papers are circulated to Directors and Board Committee members well before the meeting to allow the Directors sufficient time to peruse for effective discussion and decision-making during meeting, and where necessary, to obtain supplementary information before meeting.

The Board members have full and unrestricted access to information within the Group at all times as well as to the advice and services of the Company Secretary and senior management for the purpose of the Board's affairs and the business. The Board, whether as a full Board or in their individual capacity, in the furtherance of their duties and responsibilities, may seek independent professional advice at the Company's expense.

The Company Secretary is entrusted to record the minutes of meeting on the Board's and Board Committees' deliberation and to ensure the deliberations are adequately documented. The minutes of meetings were then circulated to the Board and Board Committee members in a timely manner for further actions.

If a director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter will be dealt with at a Board meeting rather than a written resolution. All Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict, and shall abstain from voting as Director on the relevant matters.

2.1 The Board has a Board Charter which is periodically reviewed and published on the company's website. The Board Charter clearly identifies the respective roles and responsibilities of the board, board committees, individual directors and management and issues and decisions reserved for the board.

The Board has established a Board Charter to provide guidance in the roles and responsibilities of the Directors and Management, and to facilitate an effective discharge of its duties.

The Board Charter, which serves as a referencing point for Board's activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company, also seeks to include a formal schedule of matters reserved to the Board for deliberation and decision, so that the control and direction of the Company are in its hands. The Board Charter is available on the Company's website at www.vc-b.com.

The Board Charter is reviewed by the Board, as and when required, to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities. Any amendment to the Board Charter can only be approved by the Board.

3.1 The Board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

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The Board has adopted the Code of Ethics for Directors to enhance the standard of corporate governance and behaviour and to focus on the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help to foster a culture of honesty and accountability. The Code of Ethics is required to be observed by all Directors and are to be applied in all aspects of business.

3.2 The Board establishes, reviews and together with management implements policies and procedures on whistleblowing.

The Group has formulated and formalised a Whistle Blowing Policy to address concerns pertaining to the possibilities of or unlawful conduct involving employees and management personnel of the Company. The Whistleblowing Policy sets out the procedures for dealing with any complaints lodged by whistleblowers.

All complaints of alleged unethical conduct received will be treated with highest confidentiality without any risks of reprisal from the Management and will be investigated and the necessary actions taken to protect the interests of the Group and stakeholders. Appropriate procedures have been put in place to implement this policy.

4.1 The Board together with management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

The Board recognises the importance of sustainability in an organisation. In recent years, more emphasis has been given to incorporate sustainability into the Board's role in the Group.

The Company is committed to ensure the best possible economic, environmental, social and governance outcomes for all those whom the Company's activities influence to the stakeholders, including the communities in which the Company operates, employees, business partners, investors and, as far as practicably possible, organisations within the Company's supply chain.

The Company does not have a Sustainability Committee at the Board level due to the small size of the Board; however, the Board and AC have been taking up the role and responsibilities of the Sustainability Committee. The Executive Directors, assisted by Sustainability Working Group and the heads of departments, report directly to the Board on any sustainability matters.

4.2 The board ensures that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

The Board is aware of the responsibility of communicating with the internal and external stakeholders on the Group's sustainability priorities, targets and performance against these targets. The Group's stakeholder list, engagement methods and sustainability issues pertained to the respective stakeholder are disclosed in the Sustainability Statement in this Annual Report.

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4.3 The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.

The Board continuously keeps themselves abreast with and understands the sustainability agendas which are relevant to the Company and its business through periodical updates by Bursa Securities, Securities Commission Malaysia and the training programmes attended by them.

4.4 Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the Company's material sustainability risks and opportunities.

In FYE 2025, the NC continued to carry out the annual assessment and evaluation of the Board and Board Committees in terms of its effectiveness in areas including responsibilities, composition, decision-making and boardroom activities. This also included reviewing its performance in addressing the Company's material sustainability risks and opportunities, as well as understanding of the Group's environmental, social and governance strategy.

II. BOARD COMPOSITION

5.1 The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

The NC assesses the composition of the Board on an annual basis to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision making.

It also assessed the Directors who are subject to retirement by rotation at the forthcoming 22nd Annual General Meeting ("AGM") in accordance with the provisions of the Constitution of the Company as well as the best practices recommended by the MCCG.

Upon recommendation by the NC, the Board had recommended and supported the re-election of the retiring Directors to be tabled at the 22nd AGM for shareholders' approval.

In line with Paragraph 15.01A of the MMLR, a Directors' Fit & Proper Policy was adopted in May 2022 which serves as a guide for appointment and re-election of Directors to assist the NC in the discharge of their duties and functions in the Board's nomination and re-election process for Directors. The Directors' Fit & Proper Policy is available on the Company's website at www.vc-b.com

5.2 At least half of the Board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

The Board currently comprises seven (7) members out of which, three (3) are Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Executive Directors. The Board acknowledged the practices recommended under the MCCG and is of the opinion that the current size, scope and extent of business and its current dynamics does not require an overly large Board.

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Board decisions were arrived at collectively by the Board after taking into consideration all views and perspectives with more weightage and consideration given to the views expressed by its Independent Directors.

The composition of the Board complied with the MMLR, which requires a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors. In the event of any vacancy resulting in non-compliance with the minimum required number of Independent Directors, the Company must fill the vacancy within three (3) months.

The Independent Non-Executive Directors do not participate in the day-to-day management as well as the daily business of the Group except acting as an oversight. In staying clear of any potential conflict of interest situation, the Independent Directors remain in a position to fulfil their responsibility to provide a check and balance to the Board which reflects the Company's commitment to uphold effective corporate governance. They provide independent and objective views, advice and judgment which takes into account the interests of the Group as well as shareholders, investors and other stakeholders.

It is within the viewpoint of the Board that, with the current composition of Directors and their individual backgrounds and specialisations, the Company is aided with a wide range of experience and expertise in areas such as legal framework, finance, accounting and audit, taxation, corporate affairs, marketing, property management and banking. The profile of each member of the Board is set out in this Annual Report.

5.3 The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the Board as a non-independent director. If the Board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the Board continues to retain the independent director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process.

The Board acknowledged that the tenure of an independent director shall not exceed nine (9) years. In the event the Board wishes to retain an Independent Director who has served beyond the nine (9) year tenure, shareholders' approval is required subject to assessment by the NC and with valid justification. If the Board wishes to retain an Independent Director after the twelfth (12th) year, the Board must justify and seek annual shareholders' approval through a two-tier voting process. An Independent Director may continue to serve on the Board subject to him/her being re-designated as Non-Independent Director.

As at the date of this Annual Report, none of the Independent Directors have served more than nine (9) years.

5.4 The board has a policy which limits the tenure of its independent directors to nine years without further extension.

The Board will consider implementing a policy to limit the tenure of its independent directors to nine (9) years without further extension.

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5.5 Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

To maintain the best interest of the Company, diversity is applied within the Board, senior management and all levels in the organisation. In line with this, the Board and senior management are appointed based on merit, mix of skills, competencies, experience, professionalism and other relevant qualities which includes age and cultural background to have better governance in the Group. A brief description of the background of the Directors are presented in the Profile of Directors in this Annual Report.

NC has observed an excellent level of time commitment by the Directors as reflected in their attendance record presented in this Statement.

5.6 In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing directors, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

The Company has in place the procedures and criteria for identifying candidates for appointment as directors.

The NC is entrusted by the Board to consider, review and propose the appointment of new nominees for the Board and Board Committees. For new appointments, the NC assesses the suitability of the potential candidates by considering their knowledge, skills, character, integrity, experience, time commitment, professionalism and other required criteria, before recommending to the Board for approval. The candidate is identified upon recommendation from shareholders, the Board, Management or other sources such as independent recruitment firms. The Company Secretary ensures the appointments are properly made and in compliance with all regulatory requirements.

5.7 The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Prior to the appointment of a director, the proposed appointee shall be required to disclose any other business interests that may give rise to a conflict of interest in relation to the Company, and shall be required to report any future business interests which may develop post-appointment, which could result in a conflict of interest. Conflict of interest is strictly avoided to prevent potential damage to personal and the Group's interest and reputation.

Details of the Directors standing for re-election are set out in the Profile of Directors in this Annual Report.

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5.8 The Nomination Committee is chaired by an Independent Director or the Senior Independent Director.

Dato' Sri Wira Ayub Bin Yaakob, an Independent Director, chairs the NC.

5.9 The board comprises at least 30% women directors.

The Company will consider formulating a gender diversity policy which encapsulates the objectives, principles and measures of the Group's diverse culture. The Board is supportive in upholding gender diversity within at both board and management level with due consideration on merited factors, such as, skills, experience, attitude and suitability of any potential candidates. Hence, as part of the Company's succession planning, gender diversity objectives will constantly be observed as a key consideration by the Company even without any specific targets determined.

Currently, the Board has two (2) female directors, representing 28.57% of the Board.

5.10 The Board discloses in its annual report the Company's policies on gender diversity for the Board and senior management.

The Company does not have a gender diversity policy for the time being. The Board is supportive in upholding gender diversity within the boardroom and the Management with due consideration on merited factors, such as, skills, experience, attitude and suitability of any potential candidates. Hence, as part of the Company's succession planning, gender diversity objectives will constantly be observed as a key consideration by the Company even without any specific targets determined.

6.1 The Board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The Board should disclose how the assessment was carried out and its outcome, action taken and how it has or will influence board composition. For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

The Board undertakes an assessment of the performance of the Board as a whole, the Board Committees and each individual Director on an annual basis with reference to the Corporate Governance Guide issued by Bursa Securities.

The NC has developed the criteria to assess the effectiveness of the Board and each individual Director.

The evaluation involves each Director completing a set of questionnaires in the following key areas:

- Board mix and composition
- Quality of information and decision making
- Board activities
- Board's relationship with the management
- Roles and responsibilities of the Board Chairman
- Compliance

As for the assessment of individual Director, self-performance evaluation is carried out using questionnaire based on key performance indicators tailored to evaluate each Director's performance in carrying out their duties effectively and identify the areas for further improvements. These assessments and comments are collated from all Directors and any adverse results are discussed during the NC meeting. In addition, the NC undertakes an annual assessment of the independence of the Independent Directors to ensure they are able to exercise and maintain their independent judgement at all times.

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Upon reviewing the results of the assessments for the financial year under review, there were no major concerns and the NC is satisfied with the existing Board composition as well as the mix of experience, expertise and qualification of its Board members.

The NC had concluded that all Directors have demonstrated their commitment, responsibilities and effectiveness towards the Company in terms of time and participation during FYE 2025 and subsequently recommended to the Board on the re-election of the retiring Directors at the upcoming 22nd AGM.

The NC convened one (1) meeting during FYE 2025 and its activities are as follows:

- (a) Reviewed the Board's required mix of skills and experience and assessed the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director;
- (b) Reviewed the term of office and performance of the AC and each of its members;
- (c) Evaluated the independence of the Independent Directors to ensure there is no potential conflict of interest that the Independent Directors could have with the Company and they have not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the MMLR;
- (d) Recommended the re-election of retiring Directors at the forthcoming 22nd AGM.

The Board is satisfied with the overall effectiveness of the Board and Board Committees, the contribution and performance of each Director, the current size, composition as well as the mix of skill sets of the Board and the independence of its Independent Directors. The terms of reference of the NC can be viewed from the Company's website at www.vc-b.com.

Time Commitment

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

As of the date of this Statement, none of the Directors held directorship in more than five (5) public listed companies. The Board is satisfied that the external directorships of the Directors have not impaired their ability to devote sufficient time in discharging their roles and responsibilities effectively as well as regularly updating and enhancing their skills and knowledge.

Board Meetings

The Board has committed to meet at least five (5) times in every financial year to discuss and deliberate on various matters concerning the Group. Additional meetings are convened as needed when urgent and important decisions need to be made in between scheduled meetings. During FYE 2025, five (5) Board meetings were held and the attendance record of the Directors are tabulated as follows:

Name of Directors	Designation	No. of meeting attended
Tan Sri Dato' Seri Mohd Shariff Bin Omar	Chairman, Independent, Non-Executive Director	5/5
Dato' Sri Wira Ayub Bin Yaakob	Independent, Non-Executive Director	4/5
Maggie Then	Independent, Non-Executive Director	5/5
Chen Chuen Sum	Non-Independent, Non-Executive Director	5/5
Khat Chee How	Executive Director	5/5
Loh Teck Wah	Executive Director	5/5
Lim Siew Yeng	Executive Director	4/5

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Directors' Training

All the Directors have attended and successfully completed the Mandatory Accreditation Programme I and II as mandated by Bursa Securities.

To remain relevant in the rapidly changing and complex modern business environment, the Directors are aware of the importance of continuous education and lifelong learning to discharge their responsibilities to the Company and enhance their contributions to Board deliberations, and accordingly, the Directors attend briefings, conferences, forums, trade fairs (locally and internationally), seminars and training to keep abreast with the latest developments in the industry and to enhance their skills and knowledge.

The Board, through NC, continuously assesses and determines the training needs of its individual members and ensure that they receive relevant updates and training.

All the Directors have attended the Mandatory Accreditation Programme Part II: Leading for Impact as of the approval date of this statement.

III. REMUNERATION

7.1 The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the Company's website.

The Board is of view that setting a fair and competitive remuneration package is essential to attract, motivate and retain high calibre Directors and senior management in steering the Group to achieve its long-term goals.

For Executive Directors and senior management, their remuneration is structured to link rewards to corporate and individual performance. As for the Non-Executive Directors, their level of remuneration reflects the experience and level of responsibilities undertaken individually by each Director.

The Board has also formalised a Directors' Remuneration Policy and it is the practice of the Group that all Executive Directors and senior management are remunerated based on the Group's performance, market conditions and their responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board Committees and the Board, their attendance and/or special skills and expertise they bring to the Board.

7.2 The Board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management. The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the Company's website.

The Remuneration Committee ("RC") comprises three (3) members out of which, two (2) are Independent Directors and one (1) Non-Independent Non-Executive Director.

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The RC has been entrusted by the Board to determine the levels of remuneration sufficient to attract and retain Directors of quality required to manage the business of the Group. The RC is also entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of the Executive Directors. During the financial year under review, the Committee met once attended by all members, to evaluate and deliberate the remuneration packages for the Executive Directors, who are also the key management and recommended to the Board for approval, taking into consideration their performances, contributions and overall financial performance of the Group.

The Board as a whole approves the remuneration of the Executive Directors with the Executive Directors concerned abstaining from the decision in respect of their remuneration.

The RC has its written Terms of Reference which deals with its authority and duties. The Terms of Reference of the RC is published on the Company's website at www.vc-b.com.

8.1 There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

The RC reviewed the Directors' remuneration packages, including Non-Executive Directors, for recommendation and approval by the Board and shareholders, as the case may be. The fees and other benefits of Non-Executive Directors are tabled at the AGM for shareholders' approval. The Directors abstain from participating in discussion concerning their own remuneration and play no part in determining their own remuneration.

Details of the remuneration received from the Company and on Group basis by each Director during FYE 2025 are as follows:

COMPANY

Directors' Remuneration	Salaries (RM)	Fees (RM)	Allowance (RM)	Bonus (RM)	Other emoluments (RM)	Benefit in-Kind (RM)	Total (RM)
Tan Sri Dato' Seri Mohd Shariff Bin Omar	-	42,000	-	-	-	-	42,000
Dato' Sri Wira Ayub Bin Yaakob	-	36,000	-	-	-	-	36,000
Maggie Then	-	42,000	-	-	-	-	42,000
Chen Chuen Sum	-	36,000	-	-	-	-	36,000
Khat Chee How	239,767	36,000	-	19,000	53,671	-	348,438
Loh Teck Wah	239,767	36,000	-	16,000	51,559	-	343,326
Lim Siew Yeng	191,767	36,000	-	15,000	27,997	-	270,764

(Cont'd)

GROUP

Directors' Remuneration	Salaries (RM)	Fees (RM)	Allowance (RM)	Bonus (RM)	Other emoluments (RM)	Benefit in-Kind (RM)	Total (RM)
Tan Sri Dato' Seri Mohd Shariff Bin Omar	-	42,000	-	-	-	-	42,000
Dato' Sri Wira Ayub Bin Yaakob	-	36,000	-	-	-	-	36,000
Maggie Then	-	42,000	-	-	-	-	42,000
Chen Chuen Sum	-	36,000	-	-	-	-	36,000
Khat Chee How	239,767	36,000	-	19,000	53,671	-	348,438
Loh Teck Wah	239,767	36,000	-	16,000	51,559	-	343,326
Lim Siew Yeng	191,767	36,000	-	15,000	27,997	-	270,764

8.2 The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Currently, all members of the senior management are also members of the Board.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

9.1 The Chairman of the Audit Committee is not the Chairman of the board.

The Chairman of the AC is Maggie Then, who is an Independent Director and a member of the Malaysian Institute of Accountants. She is not the Chairman of the Board.

9.2 The Audit Committee has a policy that requires a former key audit partner to observe a cooling off period of at least three (3) years before being appointed as a member of the Audit Committee.

Presently, none of the members of the AC was a former key audit partner of the Company's external auditors. The Board took note of the recommendation in the MCCG and will update its policy to stipulate that no former key audit partner shall be appointed as a member of the AC unless he/she has observed a cooling-off period of at least three (3) years before the appointment.

9.3 The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statement.

The AC is responsible for the annual assessment of the competency and independence of the external auditors and ensures that any provision of non-audit services by the external auditors are not in conflict with their role as auditors.

Having assessed the performance and independence of the external auditors, the AC will recommend the re-appointment of external auditors to the Board, who will then seek shareholders' approval at the AGM.

(Cont'd)

The AC has assessed the performance, competency, independence, technical capabilities and resource sufficiency of the external auditors. Based on the assessment, the AC was satisfied with the independence and performance of the external auditors and recommended to the Board to put forth a proposal for re-appointment of the external auditors at the forthcoming AGM.

During the financial year, the external auditors reported the details of the non-audit services rendered, which includes reviewing the Statement on Risk Management and Internal Control and providing a confirmation to the AC that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The AC meets with the external auditors at least twice a year to discuss their audit plans, audit findings and the Company's financial statements. Also, the AC meets with the external auditors additionally whenever the need arises. Furthermore, the external auditors attend every AGM where the financial statements of the Company are laid before the shareholders, to respond according to their knowledge and ability to any question raised in regards to the financial statements' audit.

9.4 The Audit Committee should comprise solely of Independent Directors.

The AC currently comprises solely of Independent Directors.

9.5 Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

All members of the AC collectively have the necessary skills and experience required to be a member of the AC. Majority of the AC members have the necessary expertise and experience in the areas of financial, commercial, capital markets skills and experience required to meet their responsibilities and provide an effective level of challenge to the Management. On an ongoing basis, the AC members will participate in training and development sessions in order to ensure that they are educated with the latest development in accounting and auditing standards, guidelines and practices.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10.1 The Board should establish an effective risk management and internal control framework.

In order to be effective in discharging these responsibilities, the Board is assisted by the AC, which functions as an oversight body to review controls and systems in general and to carry out assessment over the adequacy and effectiveness of the risk management and internal control practices within the organisation. In addition to the abovementioned, the Board is supported by the Management in developing, implementing and monitoring practices for identifying and managing risks. This is added with the role of the Management to provide assurance that the necessary control practices are adhered and carried out accordingly based on stipulated policies and framework.

Details of the risk management and internal control framework are elaborated further in the Statement on Risk Management and Internal Control in this Annual Report.

(Cont'd)

10.2 The Board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

An assurance was provided by the Executive Directors and the Group Accountant to the Board that the Group's risk management and internal controls have been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement. Taking into consideration this assurance during the Board's assessment of the Group's risk management and internal control, the Board is of the view that the current system of internal control and risk management are considered adequate for the Group's business operations. The key elements and overall state of the internal control and risk management framework of the Group have been disclosed accordingly in this Annual Report.

11.1 The Audit Committee should ensure that the internal audit function is effective and able to function independently.

The internal audit function is currently outsourced to an external professional firm/service provider, namely, Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling") who reports directly to the AC, by providing independent and objective reports on the state of internal control of the various operations within the Group and the extent of compliance on established policies and procedures.

The AC assessed the performance of the outsourced internal audit function and reported its finding to the Board. Details of the internal audit function and activities relevant to discharge the AC's responsibilities are set out in the Statement on Risk Management and Internal Control and the Audit Committee Report in this Annual Report. The AC is satisfied with the level of independence and professionalism demonstrated by Sterling in carrying out their functions effectively.

11.2 The Board should disclose whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence; the number of resources in the internal audit department; name and qualification of the person responsible for internal audit; and whether the internal audit function is carried out in accordance with a recognised framework.

Sterling is an independent professional internal audit service provider which is independent of the operations and activities of the Group. The engagement teams from Sterling are free from any relationship or conflict of interest, which could impair their objectivity and independence. The internal auditors report directly to the AC.

Sterling is a corporate member of the Institute of Internal Auditors Malaysia (IIAM). The number of audit staff deployed by Sterling for each internal audit review ranges from 2 to 3 internal auditors per visit depending on the areas of audit. Different lead internal auditors are assigned to conduct each internal audit review, depending on the scope of the review. The internal audit staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.

The internal auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system.

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PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

12.1 The Board ensures there is effective, transparent and regular communication with its stakeholders.

The Board believes that effective communication fosters better understanding of the Group's objectives and financial performance. In order to promote effective communication with the Company's stakeholders, information/financial results are made available through timely announcements and disclosures, executed via the Bursa Securities' website, the Company's webpage, press releases and annual reports. Additionally, the Company emphasised on providing a principal platform for dialogue and interactions with its shareholders and stakeholders through its AGMs. The AGM serves as a principal forum for dialogues with individual shareholders as it provides shareholders the opportunity to ask questions about the proposed resolutions or about the Company's operations in general.

12.2 Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

This recommended practice is not applicable to the Company as it is not classified as a "Large Company".

II. CONDUCT OF GENERAL MEETINGS

13.1 Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

In line with good corporate governance practices, a twenty-eight (28) days' notice was given to the shareholders for the convening of the of Twenty First (21st) AGM, allowing shareholders to have sufficient time to go through the Annual Report and make the necessary arrangement for attendance and voting. In addition to despatching the notices, the Company also published the AGM notice on its website, where the information still remains accessible.

The outcome of the AGM and any other general meetings is announced to Bursa Securities on the same day the meeting was held.

Shareholders are encouraged to attend the AGMs and any other general meetings which provide shareholders the opportunity to raise questions or concerns with regards to the Group. Such meetings also serve as a platform for shareholders to have direct access to the Board.

13.2 All directors attend General Meetings. The Chair of the Audit, Nomination, Risk Management and other committees provide meaningful response to questions addressed to them.

All Directors and external auditors are expected to attend all shareholders' meetings and to respond to questions or concerns raised by shareholders at the meetings.

At the 21st AGM of the Company held on 26 September 2024, all the Directors attended the AGM. The shareholders present at the AGM were invited to ask questions about the resolutions being proposed at the AGM before putting them to vote by poll.

(Cont'd)

Resolutions at the AGM are determined via poll voting. An independent scrutineer who is not an officer of the Company or its related company, is appointed to validate the votes cast at the AGM.

13.3 Listed companies should leverage technology to facilitate, including voting in absentia; and remote shareholders' participation at General Meetings. Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

The Company's 21st AGM was conducted physically at Bukit Kiara Equestrian & Country Resort. The Board viewed that a physical general meeting will promote direct and effective interaction between the Board and the shareholders as compared to virtual meeting. Shareholders who were unable to attend the meeting in person were allowed to appoint proxy(ies) or corporate representative. In addition, it is more cost effective to conduct physical meetings, furthermore, the location of the meeting can be easily accessible by any transportation mode.

13.4 The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the Company's financial and non-financial performance as well as the Company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

The Chairman of the Board always ensures that sufficient opportunities are given to shareholders to raise questions relating to the affairs of the Company, by providing ample time for the Question-and-Answer sessions during the said AGM. Directors had actively responded to relevant questions addressed to them during the said AGM.

The representatives from the external auditors were also present at the meeting to respond to queries raised by shareholders.

13.5 The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Not applicable, as only physical general meetings were conducted in the financial year.

13.6 Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Minutes of AGMs were published at the Company's website no later than 30 business days after the AGM.

This Statement is issued in accordance with a resolution of the Board dated 22 July 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Versatile Creative Berhad ("Versatile" or "the Company") ("the Board") recognises the importance of good practice of corporate governance and is committed to establish a sound risk management framework and system of internal control to safeguard shareholders' investments and the assets of the Company and its subsidiaries ("the Group").

The Board is pleased to present this Statement on Risk Management and Internal Control ("this Statement") which outlines the nature and scope of risk management and the internal control systems of the Group for the financial year ended 31 March 2025 ("FYE 2025"), which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board acknowledges its overall responsibility for maintaining the Group's systems of internal controls and risk management to safeguard shareholders' investment, the interest of customers, regulators, employees, and the Group's assets. The Board further recognises its responsibility in reviewing the adequacy and integrity of these systems.

The Board regularly receives and reviews reports on internal control, and is of the view that the system of internal control is adequate to safeguard shareholders' interest and the Group's assets. The role of Management is to implement the Board's policies and guidelines on risks and controls, to identify and evaluate the risks faced, and to operate suitable system of internal controls to manage these risks.

However, due to the limitations that are inherent in any system of internal control, the systems of internal controls can only provide reasonable and not absolute assurance against material misstatement or loss as it is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives.

MANAGEMENT RESPONSIBILITY

The Management is responsible for implementing the Group's policies and procedures on risk and internal control to identify, evaluate, measure, monitor and report risks as well as effectiveness, any deficiencies and non-compliance with internal controls and for taking appropriate and timely remedial actions as required. Its roles include:

- (i) Identifying and evaluating the risks faced by the Group in line with the business objectives, strategies and the Group's overall risk appetite.
- (ii) Formulating, implementing, and monitoring relevant controls, policies and procedures to manage key risks.
- (iii) Continuous monitoring of changes to the risk environment, including key emerging risk, taking appropriate mitigation actions and promptly bringing these changes to the Board's attention.
- (iv) Monitoring the implementation of related governance frameworks to achieve intended objectives.
- (v) Enforcing compliance.
- (vi) Promptly addressing any shortcomings or incidents of non-compliance with procedures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

RISK MANAGEMENT

The Board acknowledges that there is an ongoing process of identifying, evaluating, monitoring, assessing, reporting and managing significant risks by the Management to achieve the objectives of the Group for the financial year under review. The process is in place for the financial year under review and up to the date of issuance of this Statement.

The risk identification process involves reviewing and identifying the possible risk exposure arising from both internal and external environment changes and operation conditions. The risk measurement guidelines consist of financial and non-financial gualitative measure of risk consequences based on risk likelihood rating and risk impact rating.

As part of the risk management processes, a Registry of Risk and a Risk Management Handbook had been prepared. The Registry of Risk is maintained to identify principal business risks and updated when there are changes in the risk profile. The Risk Management Handbook summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts. The respective risk owners are accountable to identify risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing risks is embedded in various work processes and procedures of the respective operational functions and management team.

KEY ELEMENTS OF INTERNAL CONTROL

The following sets out the key elements of the Group's internal control, which have been in place throughout FYE 2025 and up to the date of this Statement: -

- 1. Organisation structure with defined lines of delegation of responsibility, level of authorisation and accountability;
- 2. Limits of authority clearly established within the Group to provide functional framework of authority in approving sales order, purchases, expenses and capital expenditure;
- 3. Policies and procedures for key business processes are formalised and documented for implementation and continuous improvements;
- 4. Quarterly Board meetings and monthly management meetings are held where information is provided to the Board and management covering financial performances and operations;
- 5. Training and development are provided as and when required by employees with the objective of enhancing their knowledge and competency; and
- 6. Management accounts and reports are prepared regularly for monitoring of actual performance.

INTERNAL AUDIT FUNCTIONS

In accordance with the Malaysian Code on Corporate Governance, the Group, in its efforts to provide adequate and effective internal control system, has engaged Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), an independent consulting firm, to review the adequacy and integrity of its system of internal control. The independent consulting firm acts as the internal auditors and report directly to the Audit Committee.

The internal audit reviews and addresses critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Group and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group. The scope of internal audit focused on five (5) broad control components, namely, control environment, risk activities, control activities, information and communications and monitoring. The management is required to explain any purported lack of compliance pursuant to the internal audit reports issued.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

The internal audit reports and status reports on the follow up actions for the prior internal audit reports are tabled to the Audit Committee and Board during each quarterly meeting.

Total costs incurred for the outsourced internal audit function during FYE 2025 was RM39,000/-.

ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Executive Directors and the Group Accountant that the Group's risk management and internal control system were operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group, in FYE 2025 and up to the date of this Statement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("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") for inclusion in the Annual Report of the Company for FYE 2025.

The external auditors reported to the Board that nothing has come to their attention that cause them to believe that this Statement intended to be included in the Annual Report of the Company, is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether this Statement 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 external 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.

CONCLUSION

The Board is of the opinion that the Group's system of risk management and internal control is operating adequately and effectively throughout the financial year under review and up to date of this Statement.

The Board continues to take appropriate action plans to strengthen the risk management and internal control systems to meet the Group's objectives in light of the continuous changes in the business environment.

This statement is made in accordance with the resolution of the Board dated 22 July 2025.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises three (3) Independent Non-Executive Directors as follows:

Name	Designation
Maggie Then	Chairperson
Tan Sri Dato' Seri Mohd Shariff Bin Omar	Member
Dato' Sri Wira Ayub Bin Yaakob	Member

AUTHORITY, DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee is governed by its Terms of Reference, which is available on the Company's website at www. vc-b.com.

MEETINGS

The Audit Committee convened five (5) meetings during the financial year ended 31 March 2025 ("FYE 2025"), and the attendance of each Committee member is as follows:

Members	No. of meetings attended
Maggie Then	5/5
Tan Sri Dato' Seri Mohd Shariff Bin Omar	5/5
Dato' Sri Wira Ayub Bin Yaakob	4/5

The Executive Directors and the Group Accountant are invited to attend all Audit Committee meetings. The external and internal auditors are also invited to attend the Audit Committee meetings to present their audit plan, audit findings and year-end financial statements.

The Chairperson of the Audit Committee reports the proceedings of the Audit Committee to the Board of Directors ("Board") after every Audit Committee meeting. Minutes of the Audit Committee meetings are circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

The Chairperson also engages on a continuous basis with top management, the external and internal auditors to keep abreast of matters affecting the Group. Where significant issues are highlighted, the Chairman of the Audit Committee communicates and confers with the other members, either through emails or in meetings.

AUDIT COMMITTEE REPORT

(Cont'd)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Audit Committee carried out the following activities, amongst others, during FYE 2025 in discharging their duties and responsibilities:

(a) Financial Reporting

- Reviewed four (4) quarterly financial results and the annual audited financial statements of the Company
 for the financial year ended 31 March 2024 including the announcements pertaining thereto. Discussions
 were focused primarily on the changes in the accounting policies and practices, significant adjustments
 arising from the audit and compliance with accounting standards and other legal requirements before
 recommending to the Board for approval and release of the announcements to Bursa Malaysia Securities
 Berhad.
- Reviewed and recommended all the reports and statements for inclusion in the Company's 2024 Annual Report to the Board for approval.

(b) Matters relating to External Auditors

- Reviewed with the external auditors, the audit plan and scope of the statutory audit of the Company's
 financial statements for FYE 2025 before the audit commences to ensure that the scope of the external
 audit is comprehensive.
- Evaluated the external auditors' suitability, objectivity and independence, taking into consideration their technical competencies, audit quality and manpower resource sufficiency to perform the audit of the Group. Also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group, and made recommendations to the Board on their reappointment and remuneration.
- Reviewed the audit services and non-audit services provided by the external auditors and their corresponding fees incurred. The Audit Committee concluded that the external auditors had remained independent during the year.
- Met with the external auditors without the presence of Management so as to provide the external auditors with an avenue to express any concerns they may have.

(c) Matters relating to Internal Audit

- Reviewed with the internal auditors, the internal audit plan, work done and reports for the internal audit
 function and considered the findings of internal audit reviews and management responses thereon, and
 ensured that appropriate actions are taken on the recommendations raised by the internal auditors and to
 obtain assurances that all key risks and control concerns have been fully addressed.
- Monitored the outcome of follow-up audits to ascertain the extent to which agreed action plans have been implemented by Management.
- Evaluated the performance of the internal audit functions during FYE 2025 as well as their capability and competency to serve the Group in terms of technical competencies and manpower resource sufficiency.

AUDIT COMMITTEE REPORT (Cont'd)

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

(d) Matters relating to related party transactions

- Took note of all the recurrent related party transactions ("RRPTs") reported on a quarterly basis.
- Reviewed and deliberated on all proposed RRPTs to be entered into by the Group to ensure that the proposed transactions to be entered into are in the best interest of the Group, fair, reasonable and on normal commercial terms, and not detrimental to the interests of the minority shareholders of the Company.
- Reviewed the circular to shareholders in relation to the proposed new/renewal shareholders' mandate for RRPTs prior to its approval by the Board.
- Assessed the performance of the internal audit function of the Company.
- Reviewed and was satisfied that there was no conflict-of-interest situation that arose or may arise within the Group in all RRPTs conducted.

(e) Other Matters

Carried out an evaluation on the term of office, competency and performance of the Audit Committee.

AUDIT COMMITTEE REPORT

(Cont'd)

INTERNAL AUDIT FUNCTION

The internal audit function is independent of the activities or operations of other operating units. The principal role of this function is to undertake independent, regular and systematic reviews of the risk management, internal control and governance systems so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports on the state of internal controls and governance of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as the relevant statutory requirements.

The Group outsourced its internal audit function to Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), an independent consulting firm, to review the adequacy and integrity of its system of internal control. Sterling acts as the internal auditor and reports directly to the Audit Committee. Total cost incurred in maintaining the internal audit function for FYE 2025 was RM39,000/- (FYE 2024: RM48,000/-).

During FYE 2025, the Audit Committee carried out its annual evaluation of the work performed by Sterling and was satisfied with their overall performance.

A summary of work carried out by the internal audit function for FYE 2025 are as follows: -

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
1st Quarter ended 30 June 2024	August 2024	VCB and its subsidiaries	Management Information Systems Information Technology
2 nd Quarter ended 30 September 2024	November 2024	NSK Grocer (KL) Sdn Bhd	Outlet Operations
3 rd Quarter ended 31 December 2024	February 2025	Versatile Paper Boxes Sdn Bhd	 Production Production Planning Quality Assurance Maintenance Safety and Health

TRAINING

Details of training programmes and seminars attended by each Audit Committee member during FYE 2025 are set out in this Annual Report.

This report is made in accordance with a resolution of the Board dated 22 July 2025.

OTHER COMPLIANCE INFORMATION

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries involving Directors and/or major shareholders entered into since the end of the previous financial year.

AUDIT AND NON-AUDIT FEES PAID/PAYABLE

During the financial year ended 31 March 2025 ("FYE 2025"), the amount of audit and non-audit fees paid/payable by the Group and the Company to the external auditors and a firm affiliated to the external auditor's firm for services rendered to the Company and its subsidiaries were as follows:

	Group (RM)	Company (RM)
Audit Fee	183,000	40,000
Non-Audit Fee	23,700	7,200

RECURRENT RELATED PARTY TRANSACTIONS ("RRPTS")

At the last Annual General Meeting held on 26 September 2024, the Company had obtained a general mandate from its shareholders for the Company and its subsidiary companies to enter into RRPTs of a revenue or trading nature ("RRPT Mandate").

The aggregate value of the RRPTs transacted pursuant to the RRPT Mandate for FYE 2025 did not exceed 10% of the percentage ratios as prescribed under Section 3.3(a) of the Practice Note 12 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Details of the RRPTs conducted during FYE 2025 pursuant to the RRPT Mandate are disclosed under Note 23 to the financial statements in this Annual Report.

Versatile Creative Berhad ("VCB" or "the Company") and its subsidiary companies ("the Group" or "VCB Group") are committed to continuously develop and improve the business operations of the Group in a responsible and sustainable manner. The Board of Directors of VCB ("Board") believes that the performance of a company shall not solely be judged by its financial performance but by adopting good sustainable principles, which would also benefit the Group in the long term.

SCOPE OF THE STATEMENT

This Sustainability Statement ("this Statement") covers a 12-month reporting period from 1 April 2024 to 31 March 2025, unless stated otherwise. The scope of this Statement covers VCB's business divisions, unless stated otherwise.

REPORTING FRAMEWORKS AND STANDARDS

The Statement has been developed as guided by the following recognised guidelines, standards and frameworks:

BURSA	Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements Sustainability Reporting Guide (3rd Edition)
GRI	Global Reporting Initiative ("GRI"), 2021
Suruhanjaya Sekuriti Securities Comission Malaysia	Malaysian Code on Corporate Governance, updated in April 2021
SUSTAINABLE DEVELOPMENT GOALS	United Nations Sustainable Development Goals ("UN SDG")

(Cont'd)

GOVERNANCE STRUCTURE

We do not have a Sustainability Committee ("SC") at the Board level due to the small size of the Board; however, the Board and Audit Committee ("AC") have been taking up the role and responsibilities of the SC. The Executive Directors, assisted by the heads of departments, report directly to the Board on any sustainability matters. The governance structure for VCB's sustainability management is set out below: -

Board	Oversees the strategies, policies, initiatives, targets and performance of the Group to ensure that the Group's business is conducted in a sustainable manner.
Audit Committee ("AC")	Review and approve sustainability related matters including but not limited to performance and materiality assessment.
Executive Director	Coordinate, align and develop sustainability practices across business operation.
Sustainability Working Group (SWG)	Prepares the Sustainability Statement and/or Summary Report for disclosure purposes in the Annual Report and conduct materiality assessment and report.
Head of Department	Provide support to the SWG.

GOVERNANCE EXCELLENCE POLICIES AND GUIDELINES

We are committed to maintain the highest standards of corporate governance throughout the Group. Sustainability governance at VCB is reinforced by the following policies and guidelines designed to address our responsibilities in economic, environmental and social domains:



(Cont'd)

STAKEHOLDER ENGAGEMENT

We define stakeholders as parties who are impacted by our business decisions and activities, and as groups whose actions and decisions will influence our business growth. Stakeholders are also those with a vested interest in our corporation. We maintain regular engagement with our stakeholders, enabling us to identify and align their key priorities and concerns with organisational business practices and strategies.

Our key stakeholders are outlined in the table below, along with the forms of engagement and key topics of interest that we seek to address.

Stakeholder	Customers	Employees	\$ Shareholders	Suppliers	Regulators
Engagement Methods	Customer feedbackFactory visitMeetings and discussion	Training Annual performance evaluations	 Annual report Annual General Meeting Public announcements Corporate website 	Meetings and discussions	Facility visitsAudit and inspectionsTraining
Sustainability Issues	Customer satisfaction Continual Improvement	Learning and development Staff welfare Compensation and benefits	Financial performance Business strategy Company development	Safety and quality compliance	Regulatory compliance Corporate governance

MATERIAL SUSTAINABILITY MATTERS

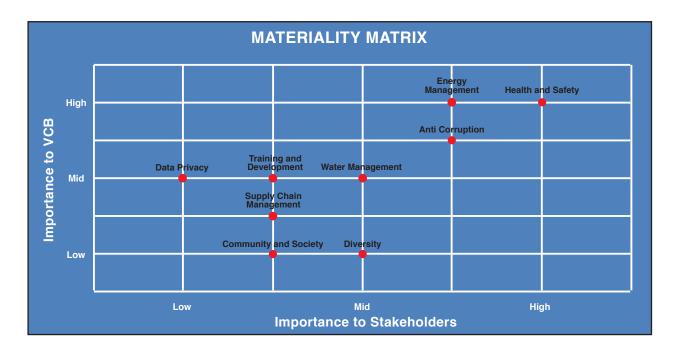
Our material assessment involves three (3) phases. Firstly, we identify a list of relevant sustainability matters, by referencing to external reporting guidelines, market, and economic trends, as well as against various industrial or peers' reports.

Next, the sustainability matters are evaluated and prioritized based on our understanding of stakeholders' concerns and needs through a discussion with the management and the heads of departments.

Finally, the outcome of the materiality assessment and the materiality matrix generated are reviewed and validated by the AC, and subsequently, presented to the Board for approval and endorsement.

The consolidated assessment results of material sustainability matters of the Group are tabulated in the following materiality matrix:-

(Cont'd)



Anti-Corruption GRI 205-2 / GRI 205-3



The Group is committed to conducting lawful and ethical business practices and zero tolerance for unethical or illegal conduct. To ensure our behavior and communications are aligned, we encourage employees, suppliers and stakeholders to report any illegal or unacceptable behavior or non-compliance with the Group's Code of Conduct and the Anti-Bribery and Anti-Corruption Policy.

VCB's Anti-Bribery and Anti-Corruption Policy's integrity pledge are distributed to all suppliers, customers and employees.

In line with good corporate governance practices, our Group has also established a Whistleblowing Policy together with the relevant mechanism. We encourage our employees to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste and abuse involving the resources of the Group. The whistleblowing practice is open to any employee, supplier or third-party, with the assurance that any report will be properly investigated and treated with confidentiality.

The Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy and the Group's Code of Conduct have been implemented and are available on the Company's website at www.vc-b.com.

In FYE 2025, 12% of employees successfully completed Anti-Bribery and Anti-Corruption training. We are committed to increasing the total number of employees participating in this training in the coming years, as part of our ongoing efforts to strengthen internal awareness, controls, and a culture of integrity.

There were no reported cases of corruption and no substantiated complaints related to human rights violations during the year, reflecting our commitment to transparency, ethical conduct, and respect for human dignity.

(Cont'd)

	Target	FYE2025	FYE2024
No. of confirmed Corruption Incidents	0	0	0
No. of substantiated complaints concerning human rights violations	0	0	0
Percentage of employees on ABAC training	100%	12%	0%

Community And Society



As a responsible corporate citizen, the Group recognises that our responsibilities to society extend beyond delivering sustainable long-term value to our stakeholders. We are also committed to supporting and uplifting the communities surrounding our operations.

In line with this commitment, the Group continues to create employment opportunities for local job seekers, contributing to local economic development and community well-being. While no formal target has been set for local hiring at this stage, priority is given to local applicants whenever possible, subject to operational and manpower requirements. This approach ensures a flexible yet inclusive hiring strategy that aligns with the Group's business needs and social responsibilities.

T -1-1111-11(FYE2025	FYE2024
Total local hiring (persons)	258	257

Additionally, the Group invested RM12,538 during FYE 2025 in community-related initiatives.

Diversity GRI 405-1

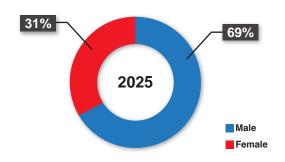


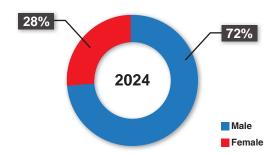
Promoting diversity and inclusiveness among our employees is in line with the Group's values and commitment. We strive to promote equal and non-discriminatory employment opportunities by actively encouraging diversity of gender, race and age.

VCB strives to be fair in our hiring process. Candidates are selected based on their qualifications and competency level. The Group has not set specific targets on gender, race and age as we strive to empower all employees regardless of their gender, race and age.

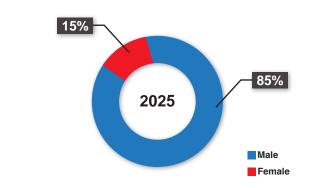
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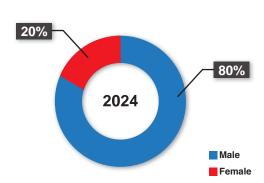
Paper Product Division



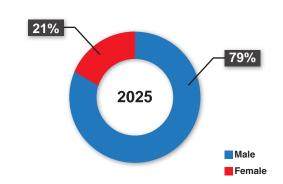


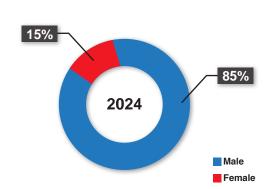
Plastic Product Division



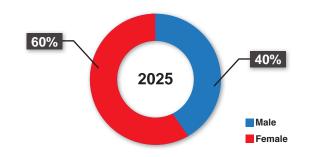


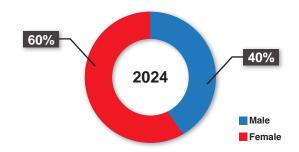
Grocer Division



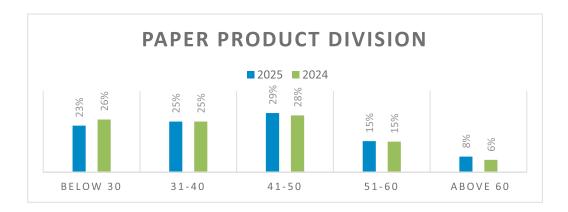


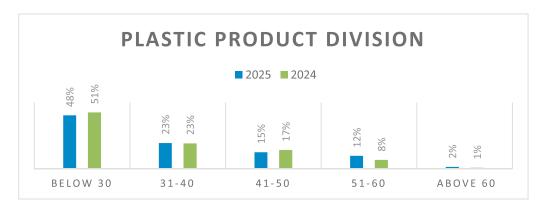
Colour Separation and Printing Division

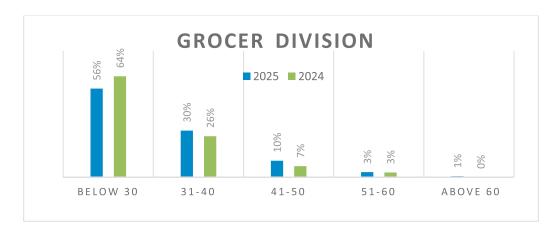




(Cont'd)









(Cont'd)

Energy Management GRI 302-4



In our manufacturing divisions, we recognise the impact of the Group's day-to-day operations on the environment. Our commitment to sustainable development has seen the Group strives to minimise its environmental impacts by improving efficiency and reducing unwanted by-products within the business operations. During lunch breaks, we inculcate a habit of asking workers to switch off air-conditioners, lighting and non-operating machines to conserve energy.

Our operation sites primarily require energy in the form of electricity which we purchase directly from Tenaga Nasional Berhad.

Total Energy Consumption

FYE2025	Paper Product Division	Plastic Product Division	Grocer Division
Total Energy Consumed (KWH)	1,316,357	2,151,310	9,353,785
Revenue (RM/000)	30,474	8,503	335,875
Actual Consumption per RM1,000 revenue	43	253	28
Target Consumption per RM1,000 revenue	Below 50	Below 300	Below 35

FYE2024	Paper Product Division	Plastic Product Division	Grocer Division
Total Energy Consumed (KWH)	1,296,961	3,020,843	6,818,618
Revenue (RM/000)	29,502	11,182	229,648
Actual Consumption per RM1,000 revenue	44	270	30
Target Consumption per RM1,000 revenue	Below 50	Below 300	Below 35

Water Management GRI 303-5



Water intensity is measured by using total water consumption compared to revenue for the year. Our water supply primarily originates from Pengurusan Air Selangor Sdn. Bhd. As such, our reported water usage is equivalent to our water consumption.

We recognize the importance of responsible water management in fostering sustainability within our operations. While both our manufacturing (Paper Division and Plastic Division) as well as Grocery Division do not require significant water usage, understanding our water consumption enables us to implement strategies for continuous reduction and environmental sustainability.

(Cont'd)

Water Consumption

FYE2025	Paper Product Division	Plastic Product Division	Grocer Division
Total Water Consumed (m3)	9,593	3,226	58,333
Revenue (RM/000)	30,474	8,503	335,875
Actual Consumption per RM1,000 revenue	0.31	0.38	0.17
Target Consumption per RM1,000 revenue	Below 0.30	Below 0.60	Below 0.30

FYE2024	Paper Product Division	Plastic Product Division	Grocer Division
Total Water Consumed (m3)	7,305	6,190	52,451
Revenue (RM/000)	29,502	11,182	229,648
Actual Consumption per RM1,000 revenue	0.25	0.55	0.23
Target Consumption per RM1,000 revenue	Below 0.30	Below 0.60	Below 0.30

Health and Safety GRI 403-5, GRI 403-7



The Group is fully committed to maintaining a safe, healthy, and conducive working environment for all employees, contractors, and visitors. We strive to comply with all applicable occupational safety and health regulations and have implemented structured governance to support this objective.

To support this commitment, each Division within the Group has established its own Safety, Health and Environment Committee (SHEC), comprising representatives from various levels and departments. This divisional structure ensures cross-functional engagement and facilitates effective communication, coordination, and oversight of safety and environmental matters specific to each Division's operations.

We have also set up a dedicated Emergency Response Team (ERT), which includes trained first aiders, chargemen, fire-fighting personnel, and rescue team members. Our ERT members undergo regular and specialised training to strengthen their preparedness and response capabilities. One such initiative includes conducting fire drills in collaboration with the Jabatan Bomba dan Penyelamat, ensuring our readiness in handling emergency situations.

Training Program	Date Conducted
Latihan Kebakaran (Fire Drill)	21 November 2024

(Cont'd)

To prevent workplace incidents, it is mandatory for all employees to wear appropriate Personal Protective Equipment (PPE) in designated areas, as indicated by clearly marked safety signage. Compliance with PPE requirements is strictly monitored as part of our day-to-day operations.

Beyond regulatory obligations, the Group enhances employee welfare by providing Group Hospitalisation Insurance and organising sports events such as badminton and Zumba, fostering teamwork, physical health, and an active lifestyle among staff.

In FYE 2025, we are pleased to report another year with zero workplace fatalities, which reflects the Group's continued efforts and commitment to maintaining a safe working environment. However, we recorded a Lost Time Incident Rate (LTIR) of 23, indicating that there is still room for improvement in preventing workplace injuries that lead to time off work. Moving forward, we will intensify our safety initiatives, training programmes, and operational controls to reduce incident rates and strengthen our overall health and safety performance.

Target and Commitments	Target	FYE2025	FYE2024
Number of work fatalities	Nil	Nil	Nil
Lost time incident rate	Nil	23	Nil

Training and Development 404-2



VCB is committed to nurturing talent and fostering continuous growth and development among our workforce. We recognize that investing in training and development programs is essential for maintaining a competitive edge and driving organizational success. We invest in a life-long learning and development culture and offer opportunities for our employees to enhance their personal and professional growth.

To address skill gaps and help our employees achieve their career development goals, we assess employees' training needs on an annual basis through a training needs analysis for each department and the Annual Performance Appraisal for each employee.

The training sessions covered a wide range of topics, including technical knowledge, operational procedures, ESG practices, health and safety protocols, and governance standards, which aim to address the evolving needs of our workforce and to ensure they are equipped with the necessary competencies in performing their roles.

While no fixed target has been established for annual training hours, our approach is guided by business needs and regulatory updates to ensure maximum relevance and impact.

(Cont'd)

Total hours of training by employee category (hours)	FYE2025	FYE2024
Direct	192	496
Indirect	312	728
Sales and Marketing	8	104
Admin	584	576
Total hours	1,096	1,904

Supply Chain Management

GRI 204-1



The Group places strong emphasis on sourcing materials locally, guided by our business needs and the objective of building a secure, reliable, and cost-effective supply chain. Our procurement strategy prioritises suppliers that can consistently meet our standards in terms of quality, delivery timelines, and service levels.

Raw materials are procured both locally and internationally, tailored to meet the specific requirements of our key customers. These purchases are often customised based on product specifications, quality grades, and volume commitments, ensuring alignment with our clients' expectations and contractual obligations.

While we have not established a formal target for the percentage of local spending, we consistently give precedence to local procurement where feasible. This approach supports the local economy, enhances supply chain responsiveness, and helps reduce lead times and logistics-related environmental impacts.

Moving forward, we will continue to explore opportunities to strengthen our local supplier base, while maintaining flexibility to source globally when required to meet operational or customer-specific needs.

	FYE2025		FYE2024	
Proportion of spending on local suppliers vs imports:	Local	Foreign	Local	Foreign
Paper Product Division	79%	21%	68%	32%
Plastic Product Division	100%	0%	100%	0%
Grocer Division	100%	0%	100%	0%

(Cont'd)

Data Privacy GRI 418-1



Data privacy and security are paramount for VCB, not only to comply with regulations, but also to preserve our reputation and trust, avoid financial losses, gain a competitive advantage, and maintain business continuity in an increasingly interconnected and data-driven business environment.

We protect our technology resources and assets with the latest encryption, firewalls, antivirus and anti-malware software and ensure employees abide by the VCB Code of Conduct.

During the FYE 2025, we met our target of zero substantiated complaints or cyber incidents regarding breaches of privacy or loss of confidential data and information.

Waste Management GRI 306-4



In FYE 2025, VCB began reporting total waste metrics, including diversion and disposal. Waste diverted refers to materials recovered, reused, or recycled, while waste directed to disposal includes incineration or landfill.

Indicator (metric tonnes)	Paper Product Division	Plastic Product Division	Grocer Division	Total
Total waste diverted from disposal	1,185	-	-	1,185
Total waste directed to disposal	12	115	1,022	1,149
Total waste	1,197	115	1,022	2,334

The majority of waste diversion efforts in FYE 2025 occurred within the Paper Product Division, driven by process waste recycling initiatives. Conversely, the Grocery Division contributed significantly to waste disposal volumes, primarily due to unsellable perishable goods and packaging waste.

Moving forward, VCB will continue to enhance our waste tracking system, implement waste segregation at source, and explore opportunities to increase diversion rates through partnerships with licensed recyclers and recovery service providers.

(Cont'd)

Emission GRI 305-1, GRI 305-2, GRI 305-3



As part of our commitment to environmental stewardship and transparency, VCB is pleased to present our first-time disclosure of greenhouse gas (GHG) emissions in accordance with globally recognized sustainability frameworks. This initiative represents a significant step in our journey toward improved climate-related performance and accountability. FYE 2025 serves as our emissions baseline year for future comparison and reduction target setting.

Indicator	Scope 1	Scope 2	Scope 3	Total
Paper Product Division	111	1,019	117	1,247
Plastic Product Division	-	1,665	28	1,693
Grocer Division	100	7,240	524	7,864
Total	211	9,924	669	10,804

Notes:

- 1. Emission factors used to calculate Scope 1 emissions are based on those published by the UK Department for Environment, Food & Rural Affairs (DEFRA). The emission factor for diesel fuel is 2.51279 kg CO_xe/litre, LPG is 1.55713 kg CO_xe/litre, and petrol is 2.0844 kg CO_xe/litre.
- 2. Emission factors used to calculate Scope 2 are based on a factor of 0.774 kg CO₂e/kWh, in accordance with Malaysia's Grid Emission Factor (GEF).
- 3. Emission factors used to calculate Scope 3 are based on distance-driven data: 0.16984 kg CO₂e/km for an average car, as published by the UK Government's GHG Reporting Conversion Factors for Company Reporting Year 2024.
- 4. Scope 1 covers non-stationary emissions from petrol and diesel consumption, while Scope 2 accounts solely for emissions from electricity usage.
- 5. Scope 3 includes emissions from Categories 6 (Business Travel) and 7 (Employee Commuting) only.

CLIMATE-RELATED RISK MANAGEMENT AND TCFD ALIGNMENT

In line with the enhanced sustainability disclosure requirements of Bursa Malaysia and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group has embarked on its climate governance journey to integrate climate-related considerations into its strategic and operational frameworks.

Although a comprehensive climate scenario analysis has yet to be undertaken, the Group acknowledges the growing materiality of climate-related risks. These include both transition risks, such as evolving regulatory landscapes, carbon pricing mechanisms, and the global shift towards a low-carbon economy, as well as physical risks, including supply chain disruptions and rising operational costs driven by climate-induced environmental changes.

As a diversified Group with operations in both manufacturing and retail, VCB is particularly sensitive to fluctuations in energy prices, tightening environmental standards, and resource availability. Preliminary assessments have commenced to identify vulnerable business divisions and formulate appropriate risk mitigation strategies.

FYE 2025 marks the Group's baseline year for GHG emissions reporting. VCB has disclosed its Scope 1 and Scope 2 emissions, along with limited disclosures on Scope 3 emissions. In addition, the Group has reported key environmental performance indicators, including energy intensity, water consumption, and waste management practices, in alignment with Bursa Malaysia's sustainability framework, the GRI Standards, and selected UN SDGs.

These foundational efforts will guide VCB's roadmap towards enhancing climate resilience, embedding ESG principles into decision-making processes, and progressing towards full alignment with TCFD recommendations.

(Cont'd)

GRI CONTENT INDEX

The following table provides references to the GRI Standards disclosed in this report:

GRI Standard	Disclosure Title	Section Reference
GRI 204-1	Proportion of spending on local suppliers	Supply Chain Management
GRI 205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption
GRI 205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption
GRI 302-4	Reduction of energy consumption	Energy Management
GRI 303-5	Water consumption	Water Management
GRI 306-4	Waste diverted from disposal	Waste Management
GRI 403-5	Worker training on occupational health and safety	Health and Safety
GRI 403-7	Prevention and mitigation of occupational health and safety impacts	Health and Safety
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development
GRI 405-1	Diversity of governance bodies and employees	Diversity
GRI 418-1	Customer Privacy	Data Privacy

UN SDGs MAPPING

VCB supports the UN SDGs and has aligned our sustainability practices with selected goals most relevant to our operations. The table below highlights the mapping between our material topics and the corresponding SDGs.

Material Topic	Relevant UN SDGs
Anti-Corruption	SDG 16: Peace, Justice and Strong Institutions
Community and Local Hiring	SDG 8: Decent Work and Economic Growth
Diversity and Inclusion	SDG 5: Gender Equality
Energy Management	SDG 7: Affordable and Clean Energy
Water Management	SDG 6: Clean Water and Sanitation
Health and Safety	SDG 3: Good Health and Well-being
Training and Development	SDG 4: Quality Education
Supply Chain Management	SDG 12: Responsible Consumption and Production
Data Privacy	SDG 9: Industry, Innovation and Infrastructure
GHG Emissions	SDG 13: Climate Action
Waste Management	SDG 12: Responsible Consumption and Production

Assurance Statement

All data contained in this Statement has been sourced internally, verified by the respective heads of departments or key data owners, and subjected to independent assurance by our outsourced internal auditors, Sterling Business Alignment Consulting Sdn. Bhd.

Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this report at sustainability@vc-b. com.my.

(Cont'd)

Indicator	Measurement unit	2025	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti	i-corruption by employee	category	
Direct	Percentage	8	0
Indirect	Percentage	11	0
Sales and Marketing	Percentage	42	0
Admin	Percentage	40	0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	0
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	12,538	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	h employee category		
Age Group by Employee Category			
Direct - Below 30	Percentage	56	61
Direct – 31-40	Percentage	28	25
Direct – 41-50	Percentage	11	9
Direct - 51-60	Percentage	4	4
Direct – Above 60	Percentage	1	1
Indirect – Below 30	Percentage	46	17
Indirect – 31-40	Percentage	29	19
Indirect – 41-50	Percentage	15	35
Indirect – 51-60	Percentage	9	25
Indirect – Above 60	Percentage	1	4
Sales and Marketing - Below 30	Percentage	17	0
Sales and Marketing – 31-40	Percentage	17	37
Sales and Marketing – 41-50	Percentage	41	27
Sales and Marketing – 51-60	Percentage	17	18
Sales and Marketing – Above 60	Percentage	8	18
Admin – Below 30	Percentage	39	40
Admin – 31-40	Percentage	31	32
Admin - 41-50	Percentage	18	15
Admin – 51-60	Percentage	7	8
Admin – Above 60	Percentage	5	5
Gender Group by Employee Category			
Direct - Male	Percentage	84	89
Direct - Female	Percentage	16	11
Indirect - Male	Percentage	80	76
Indirect - Female	Percentage	20	24
Sales and Marketing – Male	Percentage	58	36
Sales and Marketing – Female	Percentage	42	64
Admin - Male	Percentage	39	32
Admin - Female	Percentage	61	68

(Cont'd)

Indicator	Measurement unit	2025	2024
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	71	71
Female	Percentage	29	29
31-40	Percentage	29	29
41-50	Percentage	14	14
51-60	Percentage	14	14
Above 60	Percentage	43	43
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatts	12,821	11,136
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	23	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	16	44
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Direct	Hours	192	496
Indirect	Hours	312	728
Sales and Marketing	Hours	8	104
Admin	Hours	584	576
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.7	2.7
Bursa C6(c) Total number of employee turnover by employee category	'		
Direct	Number	299	266
Indirect	Number	93	57
Sales and Marketing	Number	4	0
Admin	Number	45	25
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	99	98
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	71.15	65.95
Bursa (Waste Management)	·	,	
Bursa C10(a) Total waste generated	Metric tonnes	2,334	N/A
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	1,185	N/A
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,149	N/A
Bursa (Emissions Management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	211	N/A
Bursa C11(a) Scope 2 emissions in tonnes of CO2e	Metric tonnes	9,924	N/A
Bursa C11(a) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	669	N/A

Internal assurance External assurance No assurance (*)Restated

GROCER DIVISION



















PAPER PRODUCT DIVISION



















PAPER PRODUCT DIVISION

















FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

FINANCIAL RESULTS

	Group	Company
	RM	RM
Profit/(Loss) for the financial year	13,597,253	(436,016)
Attributable to:- Owners of the Company	7,578,856	
Non-controlling interests	6,018,397	
	13,597,253	

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

The Directors do not recommend any final dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

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

DIRECTORS

The names of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:-

Company:-

Tan Sri Dato' Seri Mohd Shariff bin Omar Khat Chee How Lim Siew Yeng Loh Teck Wah Dato' Sri Wira Ayub bin Yaakob Maggie Then Chen Chuen Sum

DIRECTORS' REPORT

(Cont'd)

DIRECTORS (CONT'D)

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are (cont'd):-

Subsidiaries:-

Name of Subsidiaries	Name of Directors	
Versatile Paper Boxes Sdn. Bhd.	Khat Chee How	Lim Siew Yeng
Versatile Smart Resources Sdn. Bhd.	Khat Chee How	Lim Siew Yeng
Versatile Creative Plastic Sdn. Bhd.	Khat Chee How	Lim Siew Yeng
Imagescan Creative Sdn. Bhd.	Khat Chee How	Lim Siew Yeng
Versatile Smart Properties Sdn. Bhd.	Khat Chee How	Lim Siew Yeng
VN Trading Sdn. Bhd.	Khat Chee How Lim Siew Yeng Loh Teck Wah	Lim Chou Bu Chen Chuen Sum
NSK Grocer (KL) Sdn. Bhd.	Khat Chee How Lim Siew Yeng Loh Teck Wah	Lim Chou Bu Chen Chuen Sum
Oriental Mart Sdn. Bhd.	Khat Chee How Lim Siew Yeng Loh Teck Wah	Lim Chou Bu Chen Chuen Sum
Winetopia Sdn. Bhd.	Chen Chuen Sum Chin Kar Kin	Lim Siew Yeng Loh Teck Wah
Cheers Hub Sdn. Bhd.	Chen Chuen Sum Foo Jin Lin Khat Chee How	Lim Chou Bu Lim Siew Yeng Loh Teck Wah

DIRECTORS' INTERESTS

According to the register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at the financial year end are as follows:-

	Number of ordinary shares			
	At 1.4.2024	Bought	Sold	At 31.3.2025
The Company Direct interest				
Loh Teck Wah	8,538,700	454,600	8,274,400	718,900

	Number of warrants			
	At 1.4.2024	Bought	Sold	At 31.3.2025
The Company Direct interest				
Loh Teck Wah	4,908,700	9,178,400	-	14,087,100

The other Directors in office did not have any interest in shares in the Company or its related corporation during the financial year.

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' REMUNERATION

During the financial year, the fees and other benefits received and receivable by the Directors of the Group and Company are as follows:-

	RM
Directors' fees	264,000
Directors' remuneration and other emoluments	753,608
Other benefits	100,920
	1,118,528

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

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

There was no issuance of debentures during the financial year.

ISSUE OF WARRANTS

The Warrants are constituted by the Deed Poll dated 23 December 2022 ("Deed Poll").

On 18 January 2023, 140,049,359 Warrants ("Warrants") were issued by the Company pursuant to the bonus issue on the basis of one (1) Warrant for every two (2) existing shares held.

The salient features of the Warrants are as follows:-

Terms	Details
Form	The Warrants were issued in registered form and constituted by the Deed Poll.
Board lot	For the purposes of trading on Bursa Securities, one (1) board lot of Warrants shall comprise one hundred (100) units of Warrants carrying the rights to subscribe for 100 new shares at any time during the exercise period, unless otherwise revised by the relevant authorities.
Listing	Approval has been obtained from Bursa Securities on 5 December 2022 for the admission of the Warrants to the Official List of Bursa Securities, and for the listing of and quotation for new shares arising from the exercise of the Warrants.
Expiry date	Five (5) years from the date of issuance of the Warrants.
Exercise period	The Warrants may be exercised at any time within the period commencing from the date of issue of the Warrants and will be expiring on 17 January 2028. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.

DIRECTORS' REPORT

(Cont'd)

ISSUE OF WARRANTS (CONT'D)

The salient features of the Warrants are as follows (cont'd):-

Terms	Details
Exercise price	RM0.585 payable in full upon exercise of each Warrant.
Exercise rights	Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at the Exercise Price.
Ranking of new Company's shares	The new Company's shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all aspects with the existing Company's shares, except that the new Company's shares will not be entitled to any dividends, rights, allotments and/or other form of distributions, that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Company's shares.
Participating rights	The Warrant holders are not entitled to vote in any general meetings of the Company or participate in any form of distribution and/or offer of securities in the Company unless such Warrant holders exercise their Warrants into new shares.
Governing law	Law and regulations of Malaysia.

The movement in the Warrants are as follows:-

	E	Entitlement for Ordinary Shares				
	At 1.4	At 1.4.2024 Exercised At 31.3.				
Number of unexercised Warrants	140,04	19,321		140,049,321		

DIRECTORS' REPORT

(Cont'd)

INDEMNITY AND INSURANCE FOR OFFICERS AND DIRECTORS

The amount of indemnity coverage and insurance premium paid for Officers and Directors of the Company during the financial year are amounted to RM5,000,000 and RM15,500 respectively.

OTHER STATUTORY INFORMATION

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

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values 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:-

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

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

DIRECTORS' REPORT

(Cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) 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 to affect substantially the results of the operations of the Group and the Company for the current financial year in which this report is made.

SIGNIFICANT EVENT AFTER THE FINANCIAL YEAR

On 29 May 2025, NSK Grocer (KL) Sdn. Bhd., an indirect 51% owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Empire Benefit Sdn. Bhd. (In Liquidation) to acquire a leasehold land together with a building identified as a two-storey retail mall with a basement carpark, located in Petaling Jaya, Selangor, for a total purchase consideration of RM25,850,000.

The proposed acquisition is subject to the fulfilment of conditions precedent as stipulated in the Sale and Purchase Agreement, including obtaining the necessary approvals from the relevant authorities and shareholders.

There were no other material events subsequent to the end of the financial year and up to the date of this report that have not been dealt with in the financial statements.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

The amount of audit and other fees paid or payable to the external auditor and its affiliate firm by the Group and the Company for the financial year ended 31 March 2025 amounted to RM206,700 and RM47,200 respectively. Further details are disclosed in Note 19 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been arising from this indemnity for the financial year.

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

KHAT CHEE HOW
Director
LIM SIEW YENG
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 81 to 138 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 at 31 March 2025 and of their financial performance and their cash flows for the financial year then ended.

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

KHAT CHEE HOW	LIM SIEW YENG

Kuala Lumpur 22 July 2025

STATUTORY DECLARATION

I, Astriah Binti Mohammad Asis, being the Officer primarily responsible for the financial management of Versatile Creative Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 81 to 138 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.
ASTRIAH BINTI MOHAMMAD ASIS MIA No. 49162
Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory this day of 22 July 2025
Before me:

VERSATILE CREATIVE BERHAD (Incorporated in Malaysia)

Registration No: 200301001350 (603770-D)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Versatile Creative Berhad, which comprise the statements of financial position as at 31 March 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 81 to 138.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 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 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.

VERSATILE CREATIVE BERHAD (Incorporated in Malaysia)
Registration No: 200301001350 (603770-D)
(Cont'd)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Group

Risk of fraud in revenue recognition

The risk

International Standard on Auditing 315 presumed that we consider the risk of fraud arising in revenue recognition. Whilst revenue recognition and measurement is not complex for the Group and the Company, revenue targets form part of the Group's key performance measures which could create an incentive to record revenue incorrectly. We focused on this area given the magnitude of revenue transactions that occur.

Our response

We evaluated and tested the internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements. We also verified based on a sampling basis, the completeness of revenue captured by vouching to the customer's purchase orders, sales invoices, acknowledged delivery orders and bank and/or cash receipts. We understood and reviewed the appropriateness of revenue recognition policies.

Provision of expected credit losses on trade receivables

The risk

MFRS 9 introduces an expected credit loss ("ECL") impairment model which requires the use of significant assumptions about future economic conditions and credit risk of the customers in the calculation of loss allowance. The Group has assessed the lifetime expected credit loss of trade receivables by using simplified approach. As disclosed in Note 7 to the financial statements, the Group has significant trade receivables as at 31 March 2025 and these are subject to credit risk exposure. We focused on this area because management's assessment of ECL requires significant judgement over the expected loss rates, forward looking information and probability-weighted estimates. The details have been disclosed in Note 26(a)(i) to the financial statements.

Our response

Our audit procedure in relation to the allowance for ECL was obtained an understanding on how the Group identifies and assesses ECL for trade receivables. We have reviewed the key data sources and assumptions for data used in the determination of default rate and the current and forward-looking adjustment factors. We have considered the age of debts as well as the trend of collections to identify the collection risks. We have obtained debtors' confirmations and review collectability by way of obtaining evidence of receipts from the debtors subsequent to year end.

Inventories valuation

The risk

The Group holds significant amount of inventories amounting to RM40,173,254 as disclosed in Note 6 to the financial statements which are subject to a risk that the inventories might become slow-moving or obsolete and rendering them not saleable or can only be sold for selling prices that are less than the carrying value. Judgement is required to assess the appropriate level of provision for items which may be ultimately sold below cost.

VERSATILE CREATIVE BERHAD (Incorporated in Malaysia) Registration No: 200301001350 (603770-D) (Cont'd)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

Inventories valuation (cont'd)

Our response

Our audit procedure in relation to the valuation of inventories included compared the unit cost to the last purchase invoices for a sample of inventories items. We have obtained an understanding and reviewed the management's assessment of net realisable value ("NRV") of the inventories and on a sample basis, tested the subsequent selling price of inventories. We have examined the condition of selected inventories by attending physical inventories count at financial year end.

We have tested the methodology for calculating the allowance for inventories written down, challenged the appropriateness and consistency of the management's judgements and assumptions, considered the nature and suitability of historical data used in estimating the underlying allowance. We have compared the allowance with actual historical results by the ageing profile of the inventories. We also have considered the adequacy of the Group's disclosures in respect of inventories valuation.

Company

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

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.

VERSATILE CREATIVE BERHAD (Incorporated in Malaysia)
Registration No: 200301001350 (603770-D)
(Cont'd)

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Directors for the Financial Statements (cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

VERSATILE CREATIVE BERHAD (Incorporated in Malaysia) Registration No: 200301001350 (603770-D) (Cont'd)

Report on the Audit of the Financial Statements (cont'd)

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

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

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

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

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

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

Other Matter

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

GRANT THORNTON MALAYSIA PLT

(201906003682 & LLP0022494-LCA) CHARTERED ACCOUNTANTS (AF 0737) KOH SOOK LI

(NO: 03804/11/2025 J) CHARTERED ACCOUNTANT

Kuala Lumpur 22 July 2025

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025

			Group	Co	ompany
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	3	48,866,370	47,579,084	2	34
Right-of-use assets	4	39,758,779	34,914,763	-	-
Investment in subsidiaries	5		- <u>-</u> -	33,147,442	21,708,142
Total non-current assets		88,625,149	82,493,847	33,147,444	21,708,176
CURRENT ASSETS					
Inventories	6	40,173,254	36,708,680	<u>-</u>	<u> </u>
Trade and other receivables	7	20,849,807	20,221,828	29,451,248	41,524,334
Prepayments		978,518	706,740	33,490	30,406
Other investment	8	11	11	.	<u>-</u>
Tax recoverable		130,458	447,202	82,767	56,178
Cash and cash equivalents	9	37,137,487	38,063,217	284,793	113,704
Total current assets		99,269,535	96,147,678	29,852,298	41,724,622
TOTAL ASSETS		187,894,684	178,641,525	62,999,742	63,432,798

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025 (Cont'd)

			Group	C	ompany
	Note	2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	10	105,886,152	105,886,152	105,886,152	105,886,152
Reserves	11	21,550,610	19,797,171		-
Accumulated losses		(39,532,293)	(47,541,846)	(43,157,298)	(42,721,282)
		87,904,469	78,141,477	62,728,854	63,164,870
Non-controlling interests	5	20,086,093	3,076,996	<u>-</u>	-
Total equity		107,990,562	81,218,473	62,728,854	63,164,870
LIABILITIES					
NON-CURRENT LIABILITIES					
Lease liabilities	4	5,760,947	6,615,165		-
Provisions	12	2,539,082	-	-	-
Borrowings	13	2,249,978	3,249,986	-	-
Deferred tax liabilities	14	8,697,404	7,959,122		-
Total non-current liabilities		19,247,411	17,824,273		-
CURRENT LIABILITIES					
Trade and other payables	15	43,452,327	67,070,270	270,888	267,928
Borrowings	13	6,697,008	6,000,008		
Lease liabilities	4	8,535,170	6,446,698		-
Tax payable		1,972,206	81,803		-
Total current liabilities		60,656,711	79,598,779	270,888	267,928
TOTAL LIABILITIES		79,904,122	97,423,052	270,888	267,928
TOTAL EQUITY AND LIABILITIES	<u> </u>	187,894,684	178,641,525	62,999,742	63,432,798

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

			Group	Company		
	Note	2025 RM	2024 RM	2025 RM	2024 RM	
Revenue	16	375,477,257	270,629,825	1,430,598	1,289,502	
Cost of sales		(305,302,774)	(224,072,680)		(1) -	
Gross profit		70,174,483	46,557,145	1,430,598	1,289,502	
Other income	17	12,351,561	7,900,180	-	1,923	
Selling and distribution expenses		(2,497,385)	(2,572,309)	-	-	
Administration expenses		(60,277,653)	(43,987,936)	(1,815,894)	(1,636,882)	
Net impairment gain/(loss) on receivables		7,393	(39,994)	(77,431)	(141,647)	
Operating profit/(loss)		19,758,399	7,857,086	(462,727)	(487,104)	
Finance income	18	950,406	616,782	_		
Finance cost	18	(980,608)	(829,521)	_	-	
Profit/(Loss) before tax	19	19,728,197	7,644,347	(462,727)	(487,104)	
Tax (expense)/income	20	(6,130,944)	(2,756,401)	26,711	(22,271)	
Profit/(Loss) for the financial year	•	13,597,253	4,887,946	(436,016)	(509,375)	
Other comprehensive income:- Item that will not be reclassified subsequently to profit or loss:- Revaluation of leasehold land and building, net of tax		2,184,136			_	
Other comprehensive income for the financial year		2,184,136	-	-		
Total comprehensive income/(loss) for the financial year		15,781,389	4,887,946	(436,016)	(509,375)	
Profit/(Loss) for the financial year attributable to:-						
Owners of the Company		7,578,856	2,505,599	(436,016)	(509,375)	
Non-controlling interests	5	6,018,397	2,382,347		-	
Total comprehensive income/(loss) for the financial year attributable to:-	-	13,597,253	4,887,946	(436,016)	(509,375)	
Owners of the Company		9,762,992	2,505,599	(436,016)	(509,375)	
Non-controlling interests	5	6,018,397	2,382,347	<u>.</u>	-	
		15,781,389	4,887,946	(436,016)	(509,375)	
Earnings per ordinary share attributable to owners of the Company (sen per share)						
- Basic	21	2.71	0.89			
- Diluted	21	2.52	0.89*			

^{*} The effects of potential ordinary shares arising from the conversion of the warrants were anti-dilutive. As a result, the diluted earnings per ordinary share was the same as basic earnings per share for the previous financial year.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Share capital RM	Reserves RM	Accumulated losses RM	Total RM	Non- controlling interest RM	Total equity RM
Group Balance at 1 April 2023	105,886,152	20,227,868	(50,478,142)	75,635,878	694,516	76,330,394
Total comprehensive income for the financial year	-	-	2,505,599	2,505,599	2,382,347	4,887,946
Crystallisation of revaluation reserve	1 -	(430,697)	430,697		<u>-</u>	<u>.</u>
Transaction with owners:- Subscription of shares by non-controlling interest of newly incorporated subsidiaries	-	<u>.</u>		-	133	133
Balance at 31 March 2024	105,886,152	19,797,171	(47,541,846)	78,141,477	3,076,996	81,218,473
Net profit for the financial year	-		7,578,856	7,578,856	6,018,397	13,597,253
Other comprehensive income for the financial year, net of tax:- Revaluation gain on leasehold land and building		2,184,136		2,184,136		2,184,136
Total comprehensive income for the financial year		2,184,136	7,578,856	9,762,992	6,018,397	15,781,389
Crystallisation of revaluation reserve	-	(430,697)	430,697	_	-	· ·
Transaction with owners:- Subscription of shares by non-controlling interest of subsidiary				-	10,990,700	10,990,700
Balance at 31 March 2025	105,886,152	21,550,610	(39,532,293)	87,904,469	20,086,093	107,990,562

	Share capital RM	Accumulated losses RM	Total RM
Company Balance at 1 April 2023	105,886,152	(42,211,907)	63,674,245
Total comprehensive loss for the financial year	-	(509,375)	(509,375)
Balance at 31 March 2024	105,886,152	(42,721,282)	63,164,870
Total comprehensive loss for the financial year		(436,016)	(436,016)
Balance at 31 March 2025	105,886,152	(43,157,298)	62,728,854

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

			Group	Co	mpany
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		19,728,197	7,644,347	(462,727)	(487,104)
Adjustments for:-					
Allowance for expected credit losses on trade and other receivables		258,769	269,902	77,431	141,647
Bad debts written off		47,604	191,406	-	-
Depreciation of property, plant and equipment		5,942,091	5,499,966	32	49
Depreciation of right-of-use assets		8,881,976	7,449,445		<u>-</u>
Finance costs		980,608	829,521	-	-
Finance income		(950,406)	(616,782)		
Gain from derecognition of right-of-use assets and lease liabilities		(2,584)	(1,001)	<u>.</u>	-
Inventories written down		-	45,767	<u>-</u>	-
Net loss/(gain) from disposal of property, plant and equipment		308,329	(1,041)	-	
Property, plant and equipment written off		494,786	343	-	-
Reversal of expected credit losses on trade and other receivables		(266,162)	(229,908)		-
Reversal of inventories written down		(78,482)	(106,283)	-	-
Unrealised loss/(gain) on foreign exchange		44,040	(182,753)	<u>-</u>	-
Operating profit/(loss) before working capital changes		35,388,766	20,792,929	(385,264)	(345,408)
Inventories		(3,386,092)	(9,641,606)	-	-
Receivables		(985,374)	(4,226,189)	553,271	269,033
Payables		(12,968,877)	18,510,978	2,960	(24,527)
Cash generated from/(used in) operations		18,048,423	25,436,112	170,967	(100,902)
Interest received		272,975	196,434	<u>-</u>	
Tax paid		(4,090,645)	(1,832,978)		(91,612)
Tax refund		215,403	11,245	122	<u>-</u>
Net cash from/(used in) operating activities		14,446,156	23,810,813	171,089	(192,514)

STATEMENTS OF CASH FLOWSFOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (Cont'd)

			Group	Co	mpany
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(7,394,494)	(12,148,743)		-
Purchase of right-of-use assets	Α		(85,835)	-	-
Proceeds from disposal of property, plant and equipment		196,140	1,063	- -	- -
Interest received		677,431	420,348	-	
Net cash used in investing activities		(6,520,923)	(11,813,167)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(980,608)	(829,521)	÷ .	-
Drawdown of borrowings		697,000	10,000,000	<u>-</u>	-
Repayment of borrowings		(1,000,008)	(750,006)	-	<u>-</u>
Repayment of lease liabilities		(7,910,347)	(6,683,554)	-	
Advances from a Director		343,000	<u>-</u>		-
Subscription of shares by non-controlling interest of subsidiaries		-	133		-
Net cash (used in)/from financing activities		(8,850,963)	1,737,052	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS					
Net changes		(925,730)	13,734,698	171,089	(192,514)
At beginning of financial year		38,063,217	24,328,519	113,704	306,218
At end of financial year	В	37,137,487	38,063,217	284,793	113,704

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (Cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF RIGHT-OF-USE ASSETS

Purchase of right-of-use assets included in the statements of cash flows comprise the following:-

		Group	Com	pany
	2025 RM	2024 RM	2025 RM	2024 RM
Total purchase	11,883,420	7,001,620		
Less: Addition through lease liabilities arrangement	(9,344,338)	(6,915,785)		-
Less: Addition through provision for restoration cost	(2,539,082)	-		- -
Cash consideration		85,835	-	-

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:-

		Group	Со	mpany
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	26,597,175	30,390,144	284,793	113,704
Fixed deposits with licensed banks	10,540,312	7,673,073	-	-
Cash and cash equivalents	37,137,487	38,063,217	284,793	113,704

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 2005, 20th Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur. The principal place of business of the Company is located at Lot 30745, Jalan Pandan Indah, Pandan Indah, 55100 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors passed on 22 July 2025.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period as indicated in the summary of material accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

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

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of Measurement (cont'd)

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

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

The Group has established control framework in respect to the measurement of fair values of financial instruments. The Executive Directors have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors. The Executive Directors regularly review significant unobservable inputs and valuation adjustments.

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

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 Basis of Consolidation

The Group's financial statements consolidate those of the Company and all of its subsidiaries at 31 March 2025. All subsidiaries have a reporting date of 31 March.

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.5 Adoption of New Standards/Amendments/Improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/ amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2024.

The details of the amendments are disclosed below:-

Effective for financial period beginning on or after 1 January 2024

- Amendments to MFRS 16 Lease Lease Liabilities in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of financial statements Non-current Liabilities with Covenants
- Amendments to MFRS 101 Presentation of Financial Statements Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments Disclosure
 Supplier Finance Arrangements

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements.

2.6 Standards Issued but Not Yet Effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective in the respective financial period.

Effective for financial period beginning on or after 1 January 2025

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

Effective for financial period beginning on or after 1 January 2026

- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments:
 Disclosures Amendments to the Classification and Measurement of Financial Instruments
- Amendments that are part of Annual Improvement Volume 11:
 - Amendments to MFRS 1 First-time Adoption of MFRS Accounting Standards
 - Amendments to MFRS 7 Financial Instruments: Disclosures
 - Amendments to MFRS 9 Financial Instruments
 - Amendments to MFRS 10 Consolidated Financial Statements
 - Amendments to MFRS 107 Statement of Cash Flows
- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments:
 Disclosures Contracts Referencing Nature-dependent Electricity

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.6 Standards Issued but Not Yet Effective (cont'd)

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective in the respective financial period (cont'd).

Effective for financial period beginning on or after 1 January 2027

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

Deferred to a date to be determined by the MASB

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

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company upon their first adoption, except for:-

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:-

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but companies can apply it earlier.

The Group is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements

2.7 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made.

Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant Accounting Estimates and Judgements (cont'd)

2.7.1 Estimation Uncertainties

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Revaluation of property, plant and equipment and right-of-use assets

The Group measures its land and buildings at revalued amount with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair values as at the date of revaluation.

The carrying amount of the land and buildings at the end of the reporting period, and the relevant revaluation bases, are disclosed in Notes 3 and 4 to the financial statements.

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment to be within 5 to 38 years and right-of-use assets to be within 2 to 38 years and reviews the useful lives of depreciable assets at the end each of the reporting period.

At 31 March 2025, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's and the Company's assets.

The carrying amount of the Group's and the Company's property, plant and equipment and right-of-use assets at the end of the reporting period are disclosed in Notes 3 and 4 to the financial statements.

<u>Inventories</u>

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economical and technology changes which may cause selling prices to change rapidly, and the Group's profit to change.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 6 to the financial statements.

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant Accounting Estimates and Judgements (cont'd)

2.7.1 Estimation Uncertainties (cont'd)

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below (cont'd).

Provision for expected credit losses ("ECLs") of trade receivables (cont'd)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 26(a)(i) to the financial statements.

Income taxes and deferred tax liabilities

Estimation is involved in determining the Group's provision for income taxes and deferred tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters are different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determines the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.7.2 Significant Management Judgement

There are no significant management judgements in applying the accounting policies of the Group and of the Company that has the most significant effect on the financial statements.

(Cont'd)

PROPERTY, PLANT AND EQUIPMENT

	At valuation			— At cost			
Group	Building RM	Motor vehicles RM	Plants and machinery RM	Office equipment, furniture and fittings RM	Renovation	Capital work-in- progress RM	Total
Cost or valuation							
At 1 April 2023	14,184,571	1,159,520	56,095,335	17,205,714	13,011,297	I	101,656,437
Additions	1	320,454	438,432	7,672,046	3,624,844	92,967	12,148,743
Disposals	I	(7,050)	(83,332)	(95,520)	l	Î	(185,902)
Written off	-	1	(515,269)	(400,340)	I	l	(915,609)
Transfer from right-of-use assets	1	126,952	-		1	-	126,952
At 31 March 2024	14,184,571	1,599,876	55,935,166	24,381,900	16,636,141	92,967	112,830,621
Additions	I	530,031	118,791	2,620,061	4,020,075	105,536	7,394,494
Fair value gains from revaluation	834,136	1	Ī		ı	1	834,136
Disposals		(174,470)	(9,379,295)	(92,260)	1	I	(9,646,025)
Written off	1	l	(2,500)	(3,720)	(836,253)	I	(842,473)
Transfer from right-of-use assets	I	120,192	ı	ı	1	ľ	120,192
Reclassification	ı	1	1	1	198,503	(198,503)	1
At 31 March 2025	15,018,707	2,075,629	46,672,162	26,905,981	20,018,466		110,690,945

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(Cont'd)

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

	At valuation 🛧			— At cost —			
Group (cont'd)	Building	Motor vehicles RM	Plants and machinery RM	Office equipment, furniture and fittings RM	Renovation	Capital work-in- progress RM	Total RM
Accumulated depreciation							
At 1 April 2023	5,951,616	641,400	46,620,677	5,408,248	2,103,824	ľ	60,725,765
Charge for the financial year	204,545	120,278	2,199,302	1,604,209	1,371,632	ı	5,499,966
Disposals	1	(2,050)	(83,328)	(95,502)	Γ	1	(185,880)
Written off	Ι	ı	(515,203)	(400,063)	I	Î	(915,266)
Transfer from right-of-use assets	ī	126,952	1	ı	ı	1	126,952
At 31 March 2024	6,156,161	881,580	48,221,448	6,516,892	3,475,456	ı	65,251,537
Charge for the financial year	204,545	133,932	1,527,397	2,209,724	1,866,493		5,942,091
Disposals	ı	(72,884)	(8,976,434)	(92,238)	Ī	ī	(9,141,556)
Written off	l	I	(2,499)	(3,718)	(341,470)	I	(347,687)
Transfer from right-of-use assets	ı	120,190	1	ı	1	ı	120,190
At 31 March 2025	6,360,706	1,062,818	40,769,912	8,630,660	5,000,479	1	61,824,575
Net carrying amount At 31 March 2025	8,658,001	1,012,811	5,902,250	18,275,321	15,017,987		48,866,370
At 31 March 2024	8,028,410	718,296	7,713,718	17,865,008	13,160,685	92,967	47,579,084

(Cont'd)

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

Company	Office equipment RM
Cost	
At 1 April 2023/31 March 2024/31 March 2025	12,885
Accumulated depreciation	
At 1 April 2023	12,802
Charge for the financial year	49
At 31 March 2024	12,851
Charge for the financial year	32
At 31 March 2025	12,883
Net carrying amount	
At 31 March 2025	2
At 31 March 2024	34

- (i) Had the building been carried under the cost model, the carrying amount would be RM3,129,195 (2024: RM3,291,747).
- (ii) The leasehold land and buildings of a subsidiary are for a lease period of 60 years commencing from 27 June 2003.
- (iii) The building was revalued in the financial year 2025 by Optima Properties, a registered valuer. The comparison method was adopted in arriving at the market value of the leasehold land and buildings.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in revaluation reserve under the equity.

Fair value measurement of the leasehold land and buildings were categorised under Level 2. There were no transfers between Level 1 and Level 2 during the financial year.

Level 2 Fair Value

Level 2 fair value of buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

(Cont'd)

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

Material accounting policy information

(a) Recognition and measurement

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

All property, plant and equipment, except for building, are subsequently stated at cost less accumulated depreciation and less any impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such costs as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold land and building is shown at fair values, based on valuations by external independent valuers, less subsequent accumulated depreciation on buildings and any accumulated impairment losses. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

(b) Depreciation

Depreciation is recognised on the straight-line method in order to write off the cost or valuation of each asset over its estimated useful life.

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

Building38 yearsMotor vehicles5 - 10 yearsPlants and machinery5 - 10 yearsOffice equipment, furniture and fittings5 - 10 yearsRenovation5 - 10 years

Capital work-in-progress consists of retail equipment under installation for intended use. The amount is stated at cost and includes capitalisation related to property, plant and equipment under installation until the property, plant and equipment are ready for their intended use. Assets under installation are not depreciated until it is completed and ready for their intended use.

(Cont'd)

	At valuation		At cost			
Group	Leasehold land RM	Leasehold building RM	Motor vehicles RM	Plants and machinery RM	Restoration cost	Total RM
Cost or valuation						
At 1 April 2023	28,545,064	16,152,852	247,144	912,874	1	45,857,934
Additions	ľ	5,976,873	335,834	688,913	1	7,001,620
Transfer to property, plant and equipment	ı	ľ	(126,952)	1	ı	(126,952)
Derecognition	-	(1,380,269)	1		-	(1,380,269)
At 31 March 2024	28,545,064	20,749,456	456,026	1,601,787	-	51,352,333
Additions	ı	9,177,077	ī	167,261	2,539,082	11,883,420
Fair value gains from revaluation	2,039,727	I	I	l	I	2,039,727
Transfer to property, plant and equipment	Γ	I	(120,192)	I	ı	(120,192)
Lease modification	Γ	(34,861)	l	ı	1	(34,861)
Derecognition	1	(7,168,649)		T	1	(7,168,649)
At 31 March 2025	30,584,791	22,723,023	335,834	1,769,048	2,539,082	57,951,778
Accumulated depreciation						
At 1 April 2023	4,760,973	5,290,624	242,911	188,928	l	10,483,436
Charge for the financial year	590,909	6,503,227	12,627	342,682	I	7,449,445
Transfer to property, plant and equipment	I	I	(126,952)	I	I	(126,952)
Derecognition	1	(1,368,359)	1	1	ı	(1,368,359)
At 31 March 2024	5,351,882	10,425,492	128,586	531,610	ı	16,437,570
Charge for the financial year	590,910	7,427,839	33,583	411,139	418,505	8,881,976
Transfer to property, plant and equipment	1	L	(120,190)	l	Γ	(120,190)
Lease modification	1	(9,805)	I	ı	-	(9)802)
Derecognition	1	(6,996,552)	1	ı	1	(6,996,552)
At 31 March 2025	5,942,792	10,846,974	41,979	942,749	418,505	18,192,999
Net carrying amount At 31 March 2025	24,641,999	11,876,049	293,855	826,299	2,120,577	39,758,779
At 31 March 2024	23,193,182	10,323,964	327,440	1,070,177	ı	34,914,763

4

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(Cont'd)

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

- (i) Had the leasehold land been carried under the cost model, the carrying amount would be RM737,424 (2024: RM758,775).
- (ii) The leasehold land and buildings of a subsidiary are for a lease period of 60 years commencing from 27 June 2003.
- (iii) Leasehold land was revalued in the financial year 2025 by Optima Properties, a registered valuer. The comparison method was adopted in arriving at the market value of the leasehold land and buildings.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in revaluation reserve under the equity.

Fair value measurement of the leasehold land and buildings were categorised under Level 2. There were no transfers between Level 1 and Level 2 during the financial year.

Level 2 Fair Value

Level 2 fair value of leasehold land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

(iv) Right-of-use assets of the Group with the carrying amount of RM293,855 (2024: RM327,440) are acquired under finance lease arrangements.

Set out below are the carrying amounts of lease liabilities and the movements during the period:-

Group	2025 RM	2024 RM
As at 1 April	13,061,863	12,842,543
Additions	9,344,338	6,915,785
Accretion of interest	621,146	432,647
Derecognition	(174,681)	(12,911)
Lease modification	(25,056)	-
Payments	(8,531,493)	(7,116,201)
As at 31 March	14,296,117	13,061,863
Represented by:-		
Non-current	5,760,947	6,615,165
Current	8,535,170	6,446,698
	14,296,117	13,061,863

The maturity analysis of lease liabilities is disclosed in Note 26(b) to the financial statements.

(Cont'd)

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

These lease liabilities bear interests at rates of 4.19% to 8.39% (2024: 4.19% to 8.39%) per annum. Interest rates are fixed at the inception of the lease liabilities arrangements.

The following are the amounts recognised in profit or loss:-

Group	2025 RM	2024 RM
Depreciation expense of right-of-use assets	8,881,976	7,449,445
Interest expense on lease liabilities	621,146	432,647
Lease expenses on short-term assets	1,202,130	227,775
Lease expenses on low-value assets	1,830	3,804
Income from derecognition of right-of-use assets and lease liabilities	(2,584)	(1,001)
Total amount recognised in profit or loss	10,704,498	8,112,670

The Group had total cash outflow for leases of RM9,735,453 (2024: RM7,347,780).

The Group also had additions to right-of-use assets and lease liabilities of RM11,883,420 (2024: RM7,001,620) and RM9,344,338 (2024: RM6,915,785) respectively.

Extension options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

	Within 5 years RM	More than 5 years RM	Total RM
Group			
<u>2025</u>			
Extension options expected not to be exercised	39,065,511	37,116,056	76,181,567
2024			
Extension options expected not to be exercised	35,634,622	31,643,204	67,277,826

Material accounting policy information

(a) Recognition and measurement

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

(Cont'd)

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Material accounting policy information (cont'd)

(b) Depreciation

Right-of-use assets are depreciated on a straight-line basis over the lease term and the estimated useful lives of the assets, as follows:-

Leasehold land	38 years
Leasehold building	2 - 3 years
Motor vehicles	5 - 10 years
Plants and machinery	5 - 10 years

(c) Lease and non-lease components

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

(d) Recognition exemption

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

5. INVESTMENT IN SUBSIDIARIES

		Company
	2025 RM	2024 RM
Unquoted shares, at cost		
At 1 April	91,527,202	80,087,902
Less: Accumulated impairment loss	(58,379,760)	(58,379,760)
At 31 March	33,147,442	21,708,142

The movement of impairment losses during the financial year is as follow:-

	C	Company
	2025 RM	2024 RM
At beginning/end of financial year	58,379,760	58,379,760

(Cont'd)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:-

	Country of	Effective Interest			
Companies	incorporation Principal place of business	2025 %	2024 %	Principal activities	
Direct subsidiaries					
Versatile Paper Boxes Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of paper, board packaging products, specialising in offset-printed boxes and offset-laminated cartons.	
Versatile Smart Resources Sdn. Bhd.	Malaysia	100	100	Dormant.	
VN Trading Sdn. Bhd.	Malaysia	51	51	Investment holding and operation of grocery.	
Subsidiaries of Versatil	e Paper Boxes S	dn. Bhd.			
Versatile Creative Plastic Sdn. Bhd.	Malaysia	100	100	Manufacturing and sale of plastic packaging products.	
Imagescan Creative Sdn. Bhd.	Malaysia	100	100	Provision of colour separation and lithography services and printed materials.	
Versatile Smart Properties Sdn. Bhd.	Malaysia	100	100	Dormant.	
Subsidiary of VN Trading Sdn. Bhd.					
NSK Grocer (KL) Sdn. Bhd.	Malaysia	100	100	Operators of supermarkets and hypermarkets, wholesaler, retailer, online retailers, importers, exporters, buyers, sellers, dealers, distributors and food processing, packaging of all types of consumer products, goods, merchandise, produce, foodstuffs, things and commodities.	
Oriental Mart Sdn. Bhd.	Malaysia	100	100	To carry on business as operator of supermarkets and hypermarkets, wholesaler, retailer, online retailer, importer, exporter, buyer, seller, dealer, distributor, food processing and packaging of non halal grocery, liquor and wine businesses and general trading for food and beverage.	
Winetopia Sdn. Bhd.	Malaysia	51	51	Sale of wine and liquor.	
Cheers Hub Sdn. Bhd.	Malaysia	80	80	Retail sale of alcoholic beverage and liquor, vintry, wine bar, restaurant and cafe.	

(Cont'd)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Subscription of additional shares in a subsidiary

2025

On 31 March 2025, the Company subscribed an additional 11,439,300 new ordinary shares of RM1 each in VN Trading Sdn. Bhd. ("VN") by capitalising the amount owing by subsidiary of RM11,439,300. The Company will maintain its controlling stake of 51% in VN Trading Sdn. Bhd.

Incorporation of subsidiaries

2024

On 27 April 2023, VN Trading Sdn. Bhd., subsidiary of the Company, incorporated a 51% owned subsidiary, Winetopia Sdn. Bhd., with a cash subscription of RM51 comprising 51 ordinary shares at RM1 per share.

On 28 June 2023, VN Trading Sdn. Bhd., subsidiary of the Company, incorporated a 80% owned subsidiary, Cheers Hub Sdn. Bhd., with a cash subscription of RM80 comprising 80 ordinary shares at RM1 per share.

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interest are as follows:-

	VN and its 2025	
Percentage of ownership interest and voting interest (%)	49%	49%
Carrying amount of non-controlling interests (RM)	20,086,093	3,076,996
Total comprehensive income to non-controlling interests (RM)	6,018,397	2,382,347
Profit allocated to non-controlling interests (RM)	6,018,397	2,382,347

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests is as below:-

Thatchar horr-controlling interests is as below.		
	VN and i 2025 RM	its subsidiaries 2024 RM
Financial position as at 31 March		
Non-current assets	48,370,177	41,256,996
Current assets	82,004,967	82,105,378
Non-current liabilities	(12,638,814)	(11,691,756)
Current liabilities	(76,681,820)	(105,362,551)
Net assets	41,054,510	6,308,067
Summary of financial performance for the financial year ended 31 March		
Profit/Total comprehensive income for the year	15,306,311	4,561,743
Summary of cash flows for the financial year ended 31 March		
Net cash inflow from operating activities	10,999,207	17,545,104
Net cash outflow from investing activities	(10,610,128)	(11,778,495)
Net cash (outflow)/inflow from financing activities	(8,736,409)	1,741,448
Net cash (outflow)/inflow	(8,347,330)	7,508,057

(Cont'd)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Material accounting policy information

Acquisition of subsidiary with non-controlling interests

The Group elects to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

6. INVENTORIES

	Group		
	2025 RM	2024 RM	
At cost			
Raw materials	4,533,138	5,877,141	
Work-in-progress	870,471	739,623	
Finished goods	1,306,181	2,312,065	
Trading goods	33,463,464	27,779,851	
At carrying amount	40,173,254	36,708,680	
Recognised in profit or loss:-			
Inventories written down	<u>-</u> -	45,767	
Reversal of inventories written down	(78,482)	(106,283)	
Inventories recognised as cost of sales	237,770,136	220,441,235	

The written down and reversal are included in cost of sales.

The reversal of allowance for inventories written down is recognised when the related inventories were sold above cost.

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of trading goods is determined on the first-in, first out basis while raw materials is calculated using the weighted average method. Cost of finished goods and work-in-progress includes raw materials, direct labour and an appropriate proportion of production overhead (based on normal capacity).

(Cont'd)

7. TRADE AND OTHER RECEIVABLES

	Group			Company	
	2025 RM	2024 RM	2025 RM	2024 RM	
Trade receivables				Seattle Sales Co.	
Third parties	10,117,622	11,343,739	-	-	
Amount owing by related parties	1,297,710	1,916,887	-	<u>-</u>	
Less: Allowance for expected credit losses	(4,299,586)	(4,306,979)		-	
Trade receivables, net	7,115,746	8,953,647		<u> </u>	
Other receivables					
Other receivables	5,241,453	7,476,164	14,654	15,608	
Refundable deposits	8,914,986	4,214,395		· -	
Amount owing by subsidiaries	-	-	36,033,512	48,028,213	
	14,156,439	11,690,559	36,048,166	48,043,821	
Less: Allowance for expected credit losses					
- Other receivables	(422,378)	(422,378)	(14,654)	(14,654)	
- Amount owing by subsidiaries		-	(6,582,264)	(6,504,833)	
Other receivables, net	13,734,061	11,268,181	29,451,248	41,524,334	
Total trade and other receivables	20,849,807	20,221,828	29,451,248	41,524,334	

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2024: 30 to 120 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original certified or invoiced amounts which represent their fair values on initial recognition.

Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance for expected credit losses are as follows:-

		Group	
	2025 RM	2024 RM	
At 1 April	4,306,979	4,266,985	
Additions	258,769	269,902	
Reversal	(266,162)	(229,908)	
At 31 March	4,299,586	4,306,979	

The allowance for expected credit losses on trade receivables was reversed as a result of subsequent receipts of the amount.

(Cont'd)

7. TRADE AND OTHER RECEIVABLES (CONT'D)

Other receivables

Other receivables that are impaired

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance for expected credit losses are as follows:-

Group		Company	
2025 RM			
0.070	0.070 14.05	4 14,654	
	2025 RM	2025 2024 2025 RM RM RM	

Amount owing by subsidiaries

Amount owing by subsidiaries is unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

Amount owing by subsidiaries that are impaired

The Company's amount owing by subsidiaries that are impaired at the reporting date and the movement of the allowance for expected credit losses are as follows:-

	Co	Company	
	2025 RM	2024 RM	
At 1 April	6,504,833	6,363,186	
Additions	77,431	141,647	
At 31 March	6,582,264	6,504,833	

Amount owing by related parties

Related parties refer to a person or an entity that is related to the Group.

The amount is unsecured, non-interest bearing and repayable on demand.

8. OTHER INVESTMENT

	Group	
	2025 RM	2024 RM
Fair value through profit or loss		
- Equity investments quoted in Malaysia (Designated upon initial recognition)		
At beginning/end of financial year	11	11

Financial assets at fair value through profit or loss include investments in listed equity share. Fair values of these equity shares are determined by reference to published price quotations in an active market.

(Cont'd)

9. CASH AND CASH EQUIVALENTS

		Group		Company
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	26,597,175	30,390,144	284,793	113,704
Fixed deposits with licensed banks	10,540,312	7,673,073	_	
	37,137,487	38,063,217	284,793	113,704

The fixed deposits bear interest at rates 3.75% to 3.80% (2024: 3.70% to 3.90%) per annum.

The maturity of fixed deposits with licensed banks of the Group as at the end of the financial year is 90 to 92 days (2024: 91 to 92 days).

10. SHARE CAPITAL

	Number of o	ordinary shares		Amount
	2025 Unit	2024 Unit	2025 RM	2024 RM
Group and Company				
Issued and fully paid up with no par value:-				
At beginning/end of financial year	280,098,718	280,098,718	105,886,152	105,886,152

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

11. RESERVES

			Group
	Note	2025 RM	2024 RM
Revaluation reserve	(i)	18,550,610	16,797,171
Capital redemption reserve	(ii) <u> </u>	3,000,000	3,000,000
		21,550,610	19,797,171

(i) Revaluation reserve

		Group
	2025 RM	2024 RM
At 1 April	16,797,171	17,227,868
Revaluation gain	2,184,136	<u> -</u>
Crystallisation of revaluation reserve	(430,697)	(430,697)
At 31 March	18,550,610	16,797,171

The revaluation reserve represents the surplus arising from revaluation of leasehold land and building, net of deferred tax and is not available for distribution as dividends.

(Cont'd)

11. RESERVES (CONT'D)

(ii) Capital redemption reserve

Capital redemption reserve relates to the redemption of preference shares of a subsidiary.

12. PROVISIONS

	Gro	oup
	2025 RM	2024 RM
At 1 April	<u>-</u>	_
Provisions made during the financial year	2,539,082	<u> </u>
At 31 March	2,539,082	
Analysed as:-		
Non-current Non-current	2,539,082	-

These relate to provisions for restoration costs which represent the estimated cost of restoring leased space used in the principal activities of the Group. Provisions made are capitalised as part of the cost of the Company's right-of-use assets.

The provisions are estimated using the assumption that decommissioning, removal and restoration will only take place upon expiry of the lease terms 2 to 3 years. The provisions are not discounted as the accretion of interest is immaterial.

While the provisions are based on the best estimate of future costs and the economic life of the affected assets, there is uncertainty regarding both the amount and timing of incurring these costs. All the estimates are reviewed on an annual basis or more frequently, when there is an indication of a material change.

13. BORROWINGS

		Group
	2025 RM	2024 RM
Secured:-		
Bankers' acceptance	697,000	-
Term loan	3,249,986	4,249,994
Revolving credit	5,000,000	5,000,000
	8,946,986	9,249,994
Non-current liability		
Secured		
Term loan	2,249,978	3,249,986
Current liabilities		
Secured		
Revolving credit	5,000,000	5,000,000
Term loan	1,000,008	1,000,008
Bankers' acceptance	697,000	-
Total borrowings	6,697,008	6,000,008

(Cont'd)

13. BORROWINGS (CONT'D)

The borrowings are repayable as follows:-

		Group
	2025 RM	2024 RM
Within 1 year	6,697,008	6,000,008
Later than 1 year but not later than 2 years	1,000,008	1,000,008
Later than 2 year but not later than 5 years	1,249,970	2,249,978
Non-current portion	2,249,978	3,249,986
	8,946,986	9,249,994

The term loan is repayable over 60 monthly installments of RM83,334 each commencing after one month from the date of full disbursement.

The borrowings are secured by the following:-

- (i) Corporate guarantee from the Company; and
- (ii) Corporate guarantee from a corporate shareholder of the Company.

The borrowings bear interest rates of 1.5% above bank's cost of funding per annum.

14. DEFERRED TAX LIABILITIES

Deferred tax liabilities relate to the following:-

Group	As at 1 April 2024 RM	Recognised in other comprehensive income (Note 11) RM	Recognised in profit or loss (Note 20) RM	As at 31 March 2025 RM
Property, plant and equipment, right-of-use assets and lease liabilities	3,210,684		782,562	3,993,246
Revaluation of leasehold land and building	5,304,373	689,727*	(136,010)	5,858,090
Trade receivables	(532,400)	-	10,879	(521,521)
Inventories	(17,925)	-	405	(17,520)
Other payables	_	-	(609,000)	(609,000)
Unutilised capital allowances	(5,610)		(281)	(5,891)
	7,959,122	689,727	48,555	8,697,404

^{*} Arising from revaluation of leasehold land and building.

(Cont'd)

14. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax liabilities relate to the following (cont'd):-

Group	As at 1 April 2023 RM	Recognised in profit or loss (Note 20) RM	As at 31 March 2024 RM
Property, plant and equipment, right-of-use assets and lease liabilities	2 645 626	(434,942)	3,210,684
	3,645,626		
Revaluation of leasehold land and building	5,440,381	(136,008)	5,304,373
Trade receivables	(497,567)	(34,833)	(532,400)
Inventories	(6,941)	(10,984)	(17,925)
Unutilised capital allowances	(1,376,342)	1,370,732	(5,610)
Unabsorbed business losses	(290,186)	290,186	
	6,914,971	1,044,151	7,959,122

Material accounting policy information

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

15. TRADE AND OTHER PAYABLES

		Group		Company
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	28,099,478	37,303,110	50,981	
Amount owing to related parties	7,049,604	12,250,350		-
	35,149,082	49,553,460	50,981	
Other payables				
Accruals	3,819,886	2,699,303	168,641	171,222
Non-trade payables	3,287,997	2,847,018	51,266	96,706
Deposit received	65,250	70,125		-
Sales tax payable	100,132	127,684	-	-
Amount owing to a related party	627,000	722,000		-
Amount owing to a corporate shareholder	-	10,990,700	-	-
Amount owing to shareholders	59,980	59,980		
Amount owing to a Director	343,000	-	-	
	8,303,245	17,516,810	219,907	267,928
Total trade and other payables	43,452,327	67,070,270	270,888	267,928

(Cont'd)

15. TRADE AND OTHER PAYABLES (CONT'D)

Trade payables

This amount is non-interest bearing. Trade payables normal credit term ranges from 0 to 120 days (2024: 0 to 120 days) terms.

Other payables

This amount is non-interest bearing. Included in non-trade payables consist of amount owing to suppliers amounting to RM423,328 (2024: RM1,438,426) for the procurement of property, plant and equipment for the outlets.

Amount owing to a related party

Related party refers to a person or an entity that is related to the corporate shareholder of the Group. This amount is unsecured, non-interest bearing and repayable on demand.

Amount owing to a corporate shareholder/shareholders/a Director

This amount is unsecured, non-interest bearing and repayable on demand.

16. REVENUE

Type of goods and services

	Group		Company
2025 RM	2024 RM	2025 RM	2024 RM
374,833,649	270,316,070		-
643,608	313,755	1,430,598	1,289,502
375,477,257	270,629,825	1,430,598	1,289,502
375,477,257	270,629,825		-
<u>-</u>	<u>-</u>	1,430,598	1,289,502
375,477,257	270,629,825	1,430,598	1,289,502
	374,833,649 643,608 375,477,257 375,477,257	2025 RM RM RM 374,833,649 270,316,070 643,608 313,755 375,477,257 270,629,825	2025 RM 2024 RM 2025 RM 374,833,649 270,316,070 - 643,608 313,755 1,430,598 375,477,257 270,629,825 1,430,598 375,477,257 270,629,825 - - - 1,430,598

The following information represents the typical transactions of the Group and of the Company:-

Sale of goods

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customers generally on delivery of products and customers' acceptance.

Rendering of services

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised service. A performance obligation may be satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(Cont'd)

10:1 Disaggiegated 16	Disaggiegated levelide illioilliation						
	Paper products RM	Plastic products RM	Colour separation and printing RM	Grocery	Others	Adjustment and elimination RM	Total
Group							
2025							
Primary geographical markets:-							
Malaysia	27,025,335	6,460,109	668,266	335,875,486	7,966,225	(8,009,243)	369,986,178
United States	2,128,124	Γ	ı	ľ	ı	1	2,128,124
Yemen	ı	882,744	ľ	Î	ı	1	882,744
Mongolia	1,231,998	Ĭ	ī	Γ	I	ı	1,231,998
Thailand	I	569,825	1	ı	I		569,825
Singapore	62,237	474,447	1	l			536,684
Indonesia	I	11,000	1	I	1	Ι	11,000
Bangladesh	ı	95,903	ı	I	ľ	Ţ	95,903
China	26,217	ı	-	I	1	•	26,217
Argentina		8,584	1	1	1	1	8,584
	30,473,911	8,502,612	668,266	335,875,486	7,966,225	(8,009,243)	375,477,257
Major goods or services							
Paper products	30,473,911	•	-	ī	1	(18,360)	30,455,551
Plastic products	ı	8,502,612	-1	1	1	1	8,502,612
Colour separation services	T	ī	668,266	1	1	(24,658)	643,608
Management services	1	1	1	T	7,966,225	(7,966,225)	-
Grocery	ı	ı	ī	335,875,486	I	ľ	335,875,486
	30,473,911	8,502,612	668,266	335,875,486	7,966,225	(8,009,243)	375,477,257
Timing of revenue recognition:-							
At a point in time	30,473,911	8,502,612	668,266	335,875,486	ı	(43,018)	375,477,257
Transferred over time	-	1	-	1	7,966,225	(7,966,225)	
	30,473,911	8,502,612	668,266	335,875,486	7,966,225	(8,009,243)	375,477,257

REVENUE (CONT'D)

16.

(Cont'd)

16.1 Disaggregated revenue information (cont'd)

REVENUE (CONT'D)

16.

	Paper products RM	Plastic products RM	Colour separation and printing RM	Grocery	Others RM	Adjustment and elimination RM	Total RM
Group (cont'd)							
2024							
Primary geographical markets:-							
Malaysia	27,440,784	9,184,293	338,990	230,085,256	4,507,195	(4,985,301)	266,571,217
United States	1,098,255	I	I	T	l	ı	1,098,255
Yemen	1	911,032	Ţ	1	1	I	911,032
Mongolia	837,792	1	ı	T	T	1	837,792
Thailand		396,772	Ţ	ı	ľ	Ι	396,772
Singapore	20,128	361,584	ı	ı	1	1	381,712
Indonesia	ı	144,432	I	1	T	ı	144,432
Bangladesh	•	120,421	I	I	ı	ı	120,421
China	104,585	ı	ı	T	1	1	104,585
Saudi Arabia	ı	63,607	ı	1	ī	T.	63,607
I	29,501,544	11,182,141	338,990	230,085,256	4,507,195	(4,985,301)	270,629,825
Major goods or services							
Paper products	29,501,544	1	1	1	ī	(15,151)	29,486,393
Plastic products	T	11,182,141	I	1	ı	(09)	11,182,081
Colour separation services	1	1	338,990	1	1	(25,235)	313,755
Management services	1	1	T	1	4,507,195	(4,507,195)	1
Grocery	1	1	1	230,085,256	1	(437,660)	229,647,596
	29,501,544	11,182,141	338,990	230,085,256	4,507,195	(4,985,301)	270,629,825
Timing of revenue recognition:-							
At a point in time	29,501,544	11,182,141	338,990	230,085,256	1	(478,106)	270,629,825
Transferred over time	-	1	-	1	4,507,195	(4,507,195)	
	29,501,544	11,182,141	338,990	230,085,256	4,507,195	(4,985,301)	270,629,825

(Cont'd)

16. REVENUE (CONT'D)

16.1 Disaggregated revenue information (cont'd)

Company	Management services RM
2025	
Primary geographical markets:-	
Malaysia	1,430,598
Major goods or services:-	
Management services	1,430,598
Timing of revenue recognition:- Transferred over time	1,430,598
2024	
Primary geographical markets:-	
Malaysia	1,289,502
Major goods or services:-	
Management services	1,289,502
Timing of revenue recognition:-	
Transferred over time	1,289,502

17. OTHER INCOME

		Group		Company
	2025 RM	2024 RM	2025 RM	2024 RM
Advertising income	4,444,184	3,548,673	_	
Prompt payment discount	3,806,289	1,758,314	-	-
Rental income	1,325,125	620,605	-	
Unrealised gain on foreign exchange	- -	182,753		
Gain on disposal of property, plant and equipment	6,509	1,041		-
Income from derecognition of right-of-use assets and lease				
liabilities	2,584	1,001	-	<u>-</u> -
Sundry income	2,766,870	1,787,793	-	1,923
	12,351,561	7,900,180	-	1,923

(Cont'd)

18. FINANCE INCOME AND FINANCE COST

Finance income and finance cost for the financial year consist of the following:-

		Group
	2025 RM	2024 RM
Finance income		
Interest income from cash and cash equivalents	677,431	420,348
Interest income from overdue account	272,975	196,434
	950,406	616,782
Finance cost		
Interest expenses on		
- bank guarantee	2,587	2,025
- borrowings	356,875	394,849
- lease liabilities	621,146	432,647
	980,608	829,521

19. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:-

	Group		Cor	npany
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration related to:-				
Statutory audit				
- Grant Thornton Malaysia PLT	183,000	154,000	40,000	40,000
Assurance related services				
- Grant Thornton Malaysia PLT	5,000	5,000	5,000	5,000
Other services				
- Affiliate of Grant Thornton Malaysia PLT	18,700	19,300	2,200	2,800
Realised loss on foreign exchange	46,858	49,195	-	-
Unrealised loss/(gain) on foreign exchange	44,040	(182,753)	<u>-</u>	-
Lease expenses on short- term assets	1,202,130	227,775		- -
Lease expenses on low-value assets	1,830	3,804		_

(Cont'd)

20. TAX EXPENSE/(INCOME)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax:-				
- current year	5,930,308	1,726,706	<u>-</u>	26,711
- under/(over) provision in prior years	152,081	(14,456)	(26,711)	(4,440)
	6,082,389	1,712,250	(26,711)	22,271
Deferred tax (Note 14):-				
- current year	(275,455)	864,969	-	-
- under provision in prior years	324,010	179,182		-
	48,555	1,044,151	<u>-</u>	-
Tax expense/(income) recognised in profit or loss	6,130,944	2,756,401	(26,711)	22,271

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profit/(loss) for the financial year.

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

	Group		Co	Company
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before tax	19,728,197	7,644,347	(462,727)	(487,104)
At Malaysian statutory tax rate of 24%	4,734,767	1,834,643	(111,054)	(116,905)
Tax effect in respect of:-				
Non-deductible expenses	535,898	499,862	65,260	109,836
Income not subject to tax	(37,362)	(46,385)		-
Origination of deferred tax assets not recognised	557,560	439,565	45,794	33,780
Crystalisation of deferred taxation	(136,010)	(136,010)	-	-
Under/(Over) provision of tax in respect of prior years	152,081	(14,456)	(26,711)	(4,440)
Under provision of deferred tax in respect of prior years	324,010	179,182		
Tax expense/(income) recognised				
in profit or loss	6,130,944	2,756,401	(26,711)	22,271

(Cont'd)

20. TAX EXPENSE/(INCOME) (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:-

	Group					Company
	2025 RM	2024 RM	2025 RM	2024 RM		
Unabsorbed business losses	17,739,590	16,643,567	217,769	104,423		
Unutilised capital allowances	16,885,897	16,756,530	1,539	947		
Unutilised reinvestment allowances	11,622,000	11,622,000	<u> </u>	-		
Others	4,002,334	2,904,559	6,582,262	6,505,391		
	50,249,821	47,926,656	6,801,570	6,610,761		

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of the subsidiaries in the Group and they have arisen in the subsidiaries that have a recent history of losses.

As of 31 March 2025, the approximate gross amounts of unabsorbed business losses, unutilised capital allowances and unutilised reinvestment allowances of the Group and the Company which can be used to offset future taxable profits:-

	Group		Group			Company
	2025 RM	2024 RM	2025 RM	2024 RM		
Unabsorbed business losses	17,739,590	16,643,567	217,769	104,423		
Unutilised capital allowances	16,885,897	16,756,530	1,539	947		
Unutilised reinvestment allowances	11,622,000	11,622,000				
	46,247,487	45,022,097	219,308	105,370		

The above amounts are subject to the approval of the Inland Revenue Board of Malaysia.

Effective Year of Assessment 2019 as announced in the Annual Budget 2022, the unused tax losses of the Group and the Company as of 31 December 2018 and thereafter will be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed tax losses will be disregarded.

(Cont'd)

20. TAX EXPENSE/(INCOME) (CONT'D)

The expiry of unabsorbed business losses is as follows:-

	Group		Cor	mpany
	2025 RM	2024 RM	2025 RM	2024 RM
Year of assessment 2028	8,443,119	8,657,663	-	
Year of assessment 2029	2,378,000	2,378,000		<u>-</u> .
Year of assessment 2030	1,591,390	1,591,390	-	-
Year of assessment 2031	1,695,942	1,695,942	-	-
Year of assessment 2032	1,037,889	1,037,889	-	-
Year of assessment 2033	713,439	713,439	-	-
Year of assessment 2034	569,244	569,244	104,423	104,423
Year of assessment 2035	1,197,221	-	113,346	<u>-</u>
	17,626,244	16,643,567	217,769	104,423

21. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share is calculated by dividing profit for the year attributable to owners of the parent with the weighted average number of ordinary shares in issue during the financial year.

Profit attributable to ordinary share:-

		Group
	2025 RM	2024 RM
Profit attributable to ordinary equity holders of the Company	7,578,856	2,505,599

Weighted average number of ordinary shares in issue:-

		Group		
	2025 Unit	2024 Unit		
Issued ordinary shares at 1 April/31 March	280,098,718	280,098,718		
Basic earnings per ordinary share (sen)	2.71	0.89		

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential shares.

(Cont'd)

21. EARNINGS PER SHARE (CONT'D)

Diluted earnings per share (cont'd)

Profit attributable to ordinary share:-

		Group
	2025 RM	2024 RM
Profit attributable to ordinary equity holders of the Company	7,578,856	2,505,599

Weighted average number of ordinary shares in issue:-

		Group
	2025 Unit	2024 Unit
Weighted average number of ordinary shares at 1 April	280,098,718	280,098,718
Effect of conversion of warrants	20,382,507	-
Weighted average number of ordinary shares at 31 March	300,481,225	280,098,718
Diluted earnings per ordinary share (sen)	2.52	0.89*

^{*} The effects of potential ordinary shares arising from the conversion of the warrants were anti-dilutive. As a result, the diluted earnings per ordinary share was the same as basic earnings per share for the previous financial year.

22. EMPLOYEE BENEFITS EXPENSE

		Group	Co	ompany
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, wages and other emoluments	31,465,134	27,814,466	1,269,882	1,108,854
Contributions to defined contribution plan	1,338,612	1,457,142	121,442	106,476
Social security contributions	846,043	250,960	5,724	5,199
Other staff benefits	5,945,231	1,375,416	47,337	58,146
	39,595,020	30,897,984	1,444,385	1,278,675

(Cont'd)

22. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in the employee benefit expense is the Directors' remuneration as below:-

		Group		Company
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company				
Executive:-				
Salaries and other emoluments	753,608	600,000	753,608	600,000
Fees	108,000	108,000	108,000	108,000
Defined contribution plan	90,434	76,320	90,434	76,320
Social security contributions	3,434	3,119	3,434	3,119
Other staff benefits	7,052	42,356	7,052	42,356
	962,528	829,795	962,528	829,795
Non-executive:-				
Fees	156,000	156,000	156,000	156,000
	156,000	156,000	156,000	156,000
	1,118,528	985,795	1,118,528	985,795

23. RELATED PARTY DISCLOSURES

23.1 RELATED PARTY TRANSACTIONS

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:-

Group	2025 RM	2024 RM
Transaction with related parties		
Sales		
- NSK Trade City (NS2) Sdn. Bhd.	1,763,360	1,703,051
- NSK Trade City Sdn. Bhd.	347,132	82,990
- NSK Trade City (KL) Sdn. Bhd.	-	1,400
- NSK Trade City (Melaka) Sdn. Bhd.	-	149,352
- Kokos Sdn. Bhd.	3,113,600	1,862,185
- MLF Trading Sdn. Bhd.	830,144	<u>-</u>
- NSK Trading Sdn. Bhd.	8,173	<u> </u>

(Cont'd)

23. RELATED PARTY DISCLOSURES (CONT'D)

23.1 RELATED PARTY TRANSACTIONS (CONT'D)

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows (cont'd):-

Group (cont'd)	2025 RM	2024 RM
Transaction with related parties (cont'd)		
Purchase		
- NSK Trade City (NS2) Sdn. Bhd.	1,316,913	1,331,598
- NSK Trade City (Cheras) Sdn. Bhd.	<u>-</u>	1,229
- NSK Trade City (KD) Sdn. Bhd.	650	-
- NSK Trade City (UT) Sdn. Bhd.	835	<u>-</u>
- NSK Trade City (Rawang Jaya) Sdn. Bhd.	799,740	123,026
- NSK Trade City Sdn. Bhd.	20,545,969	51,655,632
- NSK Trading Sdn. Bhd.	6,987,972	4,783,412
- Tian An Trading Sdn. Bhd.	129,367	91,514
- MLF Trading Sdn. Bhd.	40,368,342	
- Yumm Seng Marketing Sdn. Bhd.	353,666	<u> </u>
Lease of factory		
- NSK Property Sdn. Bhd.	437,000	456,000
Rental income		
- Kokos Sdn. Bhd.	379,837	334,849

Company	2025 RM	2024 RM
Transactions with subsidiaries		
Management fees income from subsidiaries		
- Versatile Paper Boxes Sdn. Bhd.	537,561	578,967
- Versatile Creative Plastic Sdn. Bhd.	70,058	135,402
- Imagescan Creative Sdn. Bhd.	64,994	63,071
- VN Trading Sdn. Bhd.	757,985	512,062
Service provided by a subsidiary - Imagescan Creative Sdn. Bhd.	19,500	19,500

The outstanding balances arising from the related party transactions as at the reporting date are disclosed in Notes 7 and 15 to financial statements.

23.2 COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group.

The Group and the Company have no other numbers of key management personnel apart from the Board of Directors. The remuneration of the key management personnel is same with the Directors' remuneration as disclosed in Note 22 to the financial statements.

(Cont'd)

24. OPERATING SEGMENT

Business Segments

For the management purposes, the Group is organised into business units based on their products and services, which comprises the following:-

Segments	Products and services
Paper products	Manufacturing and trading of paper board packaging products, specialising in offset-printed boxes and offset-laminated cartons.
Plastic products	Manufacturing and sale of plastic packaging products.
Colour separation and printing	Provision of colour separation and lithography services and printed materials.
Grocery	Retail sale of any kind of product over the internet, supermarket and wholesale of other foodstuffs.
Others	Investment holding.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(Cont'd)

Total RM (8,881,976) (6,130,944)(806,300) (5,942,091)950,406 (980,608)375,477,257 375,477,257 (8,009,243) (8,009,243)(492,467)Adjustment and elimination Others RM (6,228)(119,294)7,966,225 77,431 7,966,225 (64,002)Grocery RM (8,205,342) (4,644,181) (972,902)(3,706,079)335,875,486 335,875,486 310,193 (8,500)and printing RM 24,658 643,608 668,266 separation Colour products RM (962)(17,177) (1,264,592)8,502,612 (702,365)**Plastic** 8,502,612 products RM (6,741)Paper (956,692) (659,457)640,213 (1,367,469)18,360 375,103 30,455,551 30,473,911 Note := Depreciation of right-Segment profit/(loss) property, plant and income/(expenses) External customers Finance income Other non-cash Depreciation of of-use assets Inter-segment Total revenue Tax expense Finance cost equipment Revenue:-Results:-Group 2025

OPERATING SEGMENT (CONT'D)

24.

Business Segments (cont'd)

after tax	≔	5,979,719	(2,746,219)	206,044	11,948,078	(9,783)	403,550	15,781,389
Assets:-								
Addition to non-current assets	.≥	13,349	•		19,262,465	2.100	1	19.277.914
Segment assets		72,241,185	7,948,577	2,604,047	107,365,004	88,076,036	(90,340,165)	187,894,684
Liabilities:-								
Deferred tax liabilities		6,884,974	ľ	I	1,810,386	2,044	Ι	8,697,404
Segment liabilities		41,327,835	23,225,062	1,179,037	88,780,564	1,446,853	(76,055,229)	79,904,122

(Cont'd)

Paper Plastic products RM Plastic products RM Separation and printing RM 29,486,393 11,182,081 313,755 29,501,544 11,182,141 338,990 377,719 45 - (10,761) (15,735) - (1,406,296) (1,499,762) (8,374 (1,180,571) - - 20,129 81,336 1,170 1,975,143 (1,653,030) (128,922) 196,975 285,885 - 66,039,331 11,702,959 2,306,767 6,450,177 - - 41,105,700 - -		
11,182,081 60 11,182,141 45 45 (15,735) (1,499,762) (373,006) - 81,336 (1,653,030) (1,653,030) - - - - - - - - - - - - -	Grocery Others and eli RM RM	Adjustment and elimination RM RM
11,182,081 60 11,182,141 45 45 (1,499,762) (1,499,762) (1,499,762) (1,653,030) (1,653,030) - 81,336 (1,653,030)		
11,182,081 60 11,182,141 45 (15,735) (1,499,762) (373,006) (1,653,030) (1,653,030) (1,653,030) - 285,885 11,702,959		
60 11,182,141 45 (15,735) (1,499,762) (373,006) - 81,336 (1,653,030) (1,653,030) - 81,336 - - - - - - - - - - - - -		- 270,629,825
(1,182,141 45 (15,735) (1,499,762) (373,006) (1,653,030) (1,653,030) (1,653,030) - 285,885 11,702,959	- 4,507,195	(4,547,641)
45 (15,735) (1,499,762) (373,006) (1,653,030) (1,653,030) (1,653,030)	229,647,596 4,507,195	(4,547,641) 270,629,825
45 (15,735) (1,499,762) (373,006) (1,653,030) (1,653,030) (1,653,030)		
(1,499,762) (1,499,762) (373,006) (1,653,030) (1,653,030) (1,653,030) (1,702,959	239,018 -	- 616,782
(1,499,762) (373,006) (1,653,030) (1,653,030) (1,653,030) - 285,885 11,702,969	(803,025)	- (829,521)
(373,006) 81,336 (1,653,030) - 285,885	(2,579,845) (5,689)	- (5,499,966)
	(6,391,666)	- (7,449,445)
81,336 (1,653,030) 285,885 11,702,959	(1,483,976) (91,854)	- (2,756,401)
	- 141,647	(230,714) 13,568
	4,501,834 (309,281)	502,202 4,887,946
11,702,959	18.661.802	- 19.150.363
	87,698,830	(90,446,937) 178,641,525
	1,507,675 1,270	- 7,959,122
	93,820,545 23,489,864 (86	(86,314,083) 97,423,052

OPERATING SEGMENT (CONT'D)

24.

(Cont'd)

24. OPERATING SEGMENT (CONT'D)

Business Segments (cont'd)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- i. Inter-Segment revenues are eliminated on consolidation.
- ii. Other non-cash (expenses)/income consist of the following items:-

	2025 RM	2024 RM
Allowance for expected credit losses on trade and other receivables	(258,769)	(269,902)
Inventories written down	-	(45,767)
Bad debts written off	(47,604)	(191,406)
Property, plant and equipment written off	(494,786)	(343)
Reversal of expected credit losses on trade and other receivables	266,162	229,908
Net (loss)/gain on disposal of property, plant and equipment	(308,329)	1,041
Income from derecognition on right-of-use assets and lease liabilities	2,584	1,001
Reversal of inventories written down	78,482	106,283
Unrealised (loss)/gain on foreign exchange	(44,040)	182,753
	(806,300)	13,568

iii. The following items are added/(deducted from) to segment profit to arrive at "Net profit for the financial year" presented in the consolidated statements of profit or loss and other comprehensive income:-

	2025	2024
	RM	RM
Segment profit	21,942,535	7,857,086
Finance income	950,406	616,782
Finance cost	(980,608)	(829,521)
Tax expense	(6,130,944)	(2,756,401)
Net profit for the financial year	15,781,389	4,887,946

iv. Addition to non-current assets consist of:-

	2025	2024
	RM	RM
Property, plant and equipment	7,394,494	12,148,743
Right-of-use assets	11,883,420	7,001,620
	19,277,914	19,150,363

(Cont'd)

24. OPERATING SEGMENT (CONT'D)

Geographical Information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:-

	F	Revenue	Non-current assets	
Group	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	369,986,178	266,571,217	88,625,149	82,493,847
Others	5,491,079	4,058,608	-	<u>-</u>
	375,477,257	270,629,825	88,625,149	82,493,847

Information about a major customer

The Group does not have any revenue from a single external customer which represent 10% or more of the Group's revenue. As such, information on major customers is not presented.

(Cont'd)

25. CATEGORIES OF FINANCIAL INSTRUMENTS

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

- (i) Amortised cost ("AC"); and
- (ii) Fair value through profit and loss ("FVTPL").

Group	Carrying amount RM	AC RM	FVTPL RM
2025			
Financial assets			
Trade and other receivables	20,849,807	20,849,807	
Other investment	11	-	11
Cash and cash equivalents	37,137,487	37,137,487	
	57,987,305	57,987,294	11
Financial liabilities			
Trade and other payables	43,352,195	43,352,195	-
Borrowings	8,946,986	8,946,986	-
	52,299,181	52,299,181	-
2024			
Financial assets			
Trade and other receivables	20,221,828	20,221,828	75.0
Other investment	11	-	11
Cash and cash equivalents	38,063,217	38,063,217	<u>-</u>
	58,285,056	58,285,045	11
Financial liabilities			
Trade and other payables	66,942,586	66,942,586	-
Borrowings	9,249,994	9,249,994	-
	76,192,580	76,192,580	

(Cont'd)

25. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

- (i) Amortised cost ("AC"); and
- (ii) Fair value through profit and loss ("FVTPL").

Company	Carrying amount RM	AC RM	FVTPL RM
2025			
Financial assets			
Trade and other receivables	29,451,248	29,451,248	-
Cash and cash equivalents	284,793	284,793	
	29,736,041	29,736,041	<u> </u>
Financial liability			
Trade and other payables	270,888	270,888	<u> </u>
2024			
Financial assets			
Trade and other receivables	41,524,334	41,524,334	<u>-</u>
Cash and cash equivalents	113,704	113,704	
	41,638,038	41,638,038	<u>.</u>
Financial liability			
Trade and other payables	267,928	267,928	_

(Cont'd)

26. FINANCIAL INSTRUMENTS

Financial Risks Management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and Company and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) Credit Risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the Company of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the head of credit control.

Following are the areas where the Group and the Company are exposed to credit risk:-

(i) <u>Trade receivables</u>

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external rating, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

(Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risks Management (cont'd)

The main areas of financial risks faced by the Group and Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit Risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

(i) Trade receivables (cont'd)

Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7 to the financial statement.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix which are grouped together as they are expected to have similar risk nature:-

	3	1 March 2025	5	3	31 March 2024	1
Group	Gross- carrying amount RM	Loss- allowance RM	Net balances RM	Gross- carrying amount RM	Loss- allowance RM	Net balances RM
Current (Not past due)	4,420,528	(167)	4,420,361	7,149,064	(644)	7,148,420
1-30 days past due	1,289,210	(288)	1,288,922	697,411	(687)	696,724
31-60 days past due 61-90 days	914,139	(294)	913,845	555,574	(936)	554,638
past due More than	429,677	(78)	429,599	363,403	(1,030)	362,373
90 days past due	117,562	(54,543)	63,019	1,260,893	(1,069,401)	191,492
	7,171,116	(55,370)	7,115,746	10,026,345	(1,072,698)	8,953,647
Credit impaired at the reporting date						
More than 90 days Individually impaired	4,244,216	(4,244,216)		3,234,281	(3,234,281)	-
	11,415,332	(4,299,586)	7,115,746	13,260,626	(4,306,979)	8,953,647

(Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risks Management (cont'd)

The main areas of financial risks faced by the Group and Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit Risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

(ii) Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

(iii) Intercompany loans and advances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Company provides unsecured advances to subsidiaries and related parties and monitors their results regularly.

As at the end of the reporting date, there was no indication that advances to the subsidiaries and related parties are not recoverable except for amount owing by subsidiary amounted to RM6,582,264 (2024: RM6,504,833).

(iv) <u>Investments and other financial assets</u>

The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

(v) Corporate guarantee

The maximum exposure to credit risk amounts to RM4,562,963 (2024: RM4,777,497) representing the outstanding banking facilities of a subsidiary as at the end of the reporting period.

The Company provides financial guarantee to supplier in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the borrowers and its repayment to the banks. As at the end of the reporting year, there was no indication that any of the subsidiary would default on repayment.

(b) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due to shortage of funds.

In managing its exposures to liquidity risk arises principally from its various payables and bank borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

(Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risks Management (cont'd)

The main areas of financial risks faced by the Group and Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity Risk (cont'd)

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The summary of the maturity profile based on the contractual undiscounted repayment obligation is as follows:-

Liquidity risk analysis

	Carrying amount RM	Contractual cash flow RM	Within 1 year RM	1 to 2 years RM	2 to 5 years RM
Group					
2025					
Financial liabilities:-					
Unsecured Trade payables and other payables	10.050.405	40.050.405	40.050.405		
	43,352,195	43,352,195	43,352,195		
Lease liabilities	14,296,117	15,022,631	8,485,753	4,857,806	1,679,072
Secured					
Borrowings	8,946,986	9,237,149	6,846,555	1,095,985	1,294,609
	66,595,298	67,611,975	58,684,503	5,953,791	2,973,681
2024					
Financial liabilities:-					
<u>Unsecured</u> Trade payables and					
other payables	66,942,586	66,942,586	66,942,586		-
Lease liabilities	13,061,863	14,000,043	6,802,167	6,070,403	1,127,473
Secured					
Borrowings	9,249,994	9,800,370	6,226,635	1,166,865	2,406,870
	89,254,443	90,742,999	79,971,388	7,237,268	3,534,343

(Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risks Management (cont'd)

The main areas of financial risks faced by the Group and Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity Risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligation is as follows (cont'd):-

Liquidity risk analysis (cont'd)

	Carrying amount RM	Contractual cash flow RM	Within 1 year RM
Company			
2025			
Financial liability:-			
Trade payables and other payables	270,888	270,888	270,888
Financial guarantee to supplier in respect of banking facilities granted to a subsidiary	4,562,963	4,562,963	4,562,963
2024			
Financial liability:-			
Trade payables and other payables	267,928	267,928	267,928
Einanaial quarantos to supplier in respect of			
Financial guarantee to supplier in respect of banking facilities granted to a subsidiary	4,777,497	4,777,497	4,777,497

(c) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

To mitigate the Group's exposure to foreign currency risk, the Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily United States Dollar ("USD"), Thai Baht ("THB"), British Pound ("GBP"), Singapore Dollar ("SGD"), Indonesian Rupiah ("IDR"), Euro ("EUR"), Chinese Yuan ("CNY") and Swedish Krona ("SEK"). The Group did not enter into any forward currency contracts during the financial year ended 31 March 2025 and 2024.

(Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risks Management (cont'd)

The main areas of financial risks faced by the Group and Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Foreign Currency Risk (cont'd)

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of reporting period was:-

	2025 RM	2024 RM
Cash and cash equivalents		
USD	263	313
THB	<u> </u>	307
	263	620
Trade and other receivables		
USD	994,439	1,237,608
GBP	170,346	185,848
SGD	69,116	111,066
IDR	33,965	33,739
EUR	21,602	7,874
	1,289,468	1,576,135
Trade and other payables		
USD	354,987	378,095
CNY		50,037
SEK		1,116
	354,987	429,248

Sensitivity analysis for foreign currency risk at the end of each reporting period is not presented as changes in exchange rates would not materially affect the profit or loss and equity of the Group.

(Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risks Management (cont'd)

The main areas of financial risks faced by the Group and Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

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

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

		Group
	2025 RM	2024 RM
Fixed rate instruments:-		
Financial asset - fixed deposits with licensed banks	10,540,312	7,673,073
Financial liability - lease liabilities	(14,296,117)	(13,061,863)
Floating rate instruments:-		
Financial liability - borrowings	(8,946,986)	(9,249,994)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flows sensitivity analysis for variable rate instruments

A change in 50 basis point ("bp") in interest rates at the end of the reporting period would have increase/ (descrease) profit for the year and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect on Profit for the financial year/Equi		
RM	RM	
(447,349)	447,349	
(462,500)	462,500	
	financia RM (447,349)	

(Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

Fair Value of Financial Instruments

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

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

Group	Fair value of financial instruments carried at fair value Level 1 RM	financial instruments	Total fair value RM	Carrying amount RM
2025				
Financial asset				
Other investment	11	-	11	11
Financial liability				
Term loan		3,056,479	3,056,479	3,249,986
2024				
Financial asset				
Other investment	11		11	11
Financial liability				
Term loan		3,946,818	3,946,818	4,249,994

Policy on transfer between levels

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

Level 1 Fair Value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

(Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

Reconciliation of Liability Arising from Financing Activities

Group	1 April 2024 RM	Cash flows RM	Others RM	31 March 2025 RM
Borrowings	9,249,994	(303,008)*	-	8,946,986
Lease liabilities	13,061,863	(7,910,347)	9,144,601#	14,296,117
	22,311,857	(8,213,355)	9,144,601	23,243,103

- * These amounts are net of drawdown and repayment of borrowings amounting to RM697,000 and RM1,000,008 respectively.
- # These amounts are net of non-cash additions to lease liabilities and lease derecognition during the financial year amounted to RM9,344,338 and RM199,737 respectively.

Group	1 April 2023 RM	Cash flows RM	Others RM	31 March 2024 RM
Borrowings		9,249,994*	-	9,249,994
Lease liabilities	12,842,543	(6,683,554)	6,902,874#	13,061,863
	12,842,543	2,566,440	6,902,874	22,311,857

- * These amounts are net of drawdown and repayment of borrowings amounting to RM10,000,000 and RM750,006 respectively.
- # These amounts are net of non-cash additions to lease liabilities and lease termination during the financial year amounted to RM6,915,785 and RM12,911 respectively.

27. CAPITAL MANAGEMENT

The capital structure of the Group consists of net debt of the Group comprising borrowings as detailed in Note 13 of the financial statements off set with cash and bank balances, and equity of the Group comprising issued capital, reserves, retained earnings and non-controlling interest as detailed in Note 5, 9, 10, 11 of the financial statements.

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

(Cont'd)

27. CAPITAL MANAGEMENT (CONT'D

During 2025, the Group's strategy, which was unchanged from 2024, was to maintain the debt-to-equity ratio at 3.5.

Group	2025 RM	2024 RM
Total loans and borrowings (A)	8,946,986	9,249,994
Total equity, representing total capital (B)	107,990,562	81,218,473
Gearing ratio (A/B)	0.08	0.11

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

A subsidiary of the Group is also required to maintain a maximum gearing ratio of 3.5 to comply with a bank covenant, failing which, the bank may call an event of default. The subsidiary has complied with these covenants throughout the reporting period. As at 31 March 2025, gearing ratio of the subsidiary was 0.50 (2024: 1.38).

28. CAPITAL COMMITMENTS

Gro	pup	2025 RM	2024 RM
Autl	horised and not contracted for:		
Pur	chase of property, plant and equipment	23,265,000	<u>-</u>

29. SIGNIFICANT EVENT AFTER THE FINANCIAL YEAR

On 29 May 2025, NSK Grocer (KL) Sdn. Bhd., an indirect 51% owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Empire Benefit Sdn. Bhd. (In Liquidation) to acquire a leasehold land together with a building identified as a two-storey retail mall with a basement carpark, located in Petaling Jaya, Selangor, for a total purchase consideration of RM25,850,000.

The proposed acquisition is subject to the fulfilment of conditions precedent as stipulated in the Sale and Purchase Agreement, including obtaining the necessary approvals from the relevant authorities and shareholders.

There were no other material events subsequent to the end of the financial year and up to the date of this report that have not been dealt with in the financial statements.

LIST OF PROPERTIES

Location	Description of Land	Land Area (sq.ft.)	Built-up Area (sq.ft.)	Existing Use	Tenure/ Lease Period	Net Carrying Value (RM'000)	Age of Building (years)	Date of Acquisition
Lot 30745, Jalan Pandan Indah, Pandan Indah, 55100 Kuala Lumpur.	Land with a single storey detached factory with an annexed double storey office building	130,680	94,961	Factory, warehouse and office	Term of 99 years expiring on 26 June 2063	33,300	32	09 December 1993

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2025

Ordinary shares

Paid up capital - RM105,886,152 comprising 280,098,718 ordinary shares

Class of shares - Ordinary share

Voting rights - One vote per ordinary share

Distribution of shareholdings

Size of shareholding	No. of shareholders	% of shareholders	Total holdings	% of total holdings
Less than 100	3,324	38.913	160,872	0.057
100 to 1,000	4,072	47.670	1,015,429	0.362
1,001 to 10,000	635	7.433	2,669,864	0.953
10,001 to 100,000	375	4.390	13,033,355	4.653
100,001 to less than 5% of issued shares	133	1.557	109,008,998	38.918
5% and above of issued shares	3	0.035	154,210,200	55.055
Total	8,542	100.000	280,098,718	100.000

Substantial shareholders as per Register of substantial shareholders

	Dir	ect	Indirect		
Name	No. of shares held	%	No. of shares held	%	
NSK Trading Sdn. Bhd.	125,638,800	44.854	-	-	
Lim Chou Bu	-	-	125,638,800	44.854	
Lim Ah Chuan	-	-	125,638,800	44.854	
Lim Ah Chai	-	-	125,638,800	44.854	

Directors' shareholdings

	Direct	Interest	Deemed Interest	
Name	No. of shares held	%	No. of shares held	%
Tan Sri Dato' Seri Mohd Shariff Bin Omar	-	-	-	-
Dato' Sri Wira Ayub Bin Yaakob	-	-	-	-
Chen Chuen Sum	-	-	-	-
Khat Chee How	-	-	-	-
Lim Siew Yeng	-	-	-	-
Loh Teck Wah	823,900	0.294	-	-
Maggie Then	-	-	-	-

ANALYSIS OF SECURITIES ACCOUNT HOLDERS

30 Largest shareholders as at 30 June 2025

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of shares held	% of issued capital
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NSK TRADING SDN BHD	91,965,800	32.833%
2	NSK TRADING SDN BHD	33,673,000	12.021%
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	28,571,400	10.200%
4	TOH CHEE THIN	13,482,935	4.813%
5	TANG BEIRUI	7,288,300	2.602%
6	NG CHEK KIAM	6,500,000	2.320%
7	WONG POH KIM @ MARY ANN	5,442,200	1.942%
8	TANG YIN FAN	4,596,826	1.641%
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI SING FOO (7004157)	4,334,700	1.547%
10	YONG CHONG LIM	4,160,000	1.485%
11	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THAM QUEK NGOK	3,441,300	1.228%
12	KHOR TUANG KEAT	3,243,800	1.158%
13	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO CHAI HOCK	3,164,500	1.129%
14	TENGKU AB MALEK BIN TENGKU MOHAMED	3,029,200	1.081%
15	LAI LEE MIN, LOUISE	2,520,900	0.900%
16	ANG SUAT MEI	2,070,800	0.739%
17	LAI SING FOO	2,000,300	0.714%
18	SKT SUPPLIES SDN BHD	1,791,400	0.639%
19	LEE BOON YEE	1,500,000	0.535%
20	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG LI TAK (7005696)	1,450,000	0.517%
21	TAN YIT MOI	1,400,000	0.499%
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHONG LIM (7006038)	1,266,000	0.451%
23	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHEE KHENG (MY3821)	1,260,000	0.449%
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHEE KHENG (8055840)	1,251,000	0.446%
25	LEE LEE CHOO	1,120,000	0.399%
26	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR KUAN KAR CHIN	1,066,800	0.380%
27	TAN YEW CHONG	1,000,000	0.357%
28	TEO YAU LENG	970,000	0.346%
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH TECK WAH (8090542)	823,900	0.294%
30	TEO CHUNG WEE	817,400	0.291%

ANALYSIS OF WARRANTHOLDINGS As at 30 June 2025

Warrants 2023/2028 ("Warrants A")

Total Number of Outstanding Warrants - 140,049,321 Exercise Price - RM0.5850

Exercise Period - 18 January 2023 - 17 January 2028

Distribution of warrantholdings

Size of warrantholding	No. of warrantholders	% of warrantholders	Total holdings	% of total holdings
Less than 100	5,706	68.954	218,295	0.155
100 to 1,000	1,982	23.951	534,563	0.381
1,001 to 10,000	379	4.580	1,501,250	1.071
10,001 to 100,000	144	1.740	4,585,602	3.274
100,001 to less than 5% of issued shares	60	0.725	56,340,411	40.228
5% and above of issued shares	4	0.048	76,869,200	54.887
Total	8,275	100.000	140,049,321	100.000

Directors' warrantholdings

	Direct I	nterest	Deemed Interest	
Name	No. of warrants held	%	No. of warrants held	%
Tan Sri Dato' Seri Mohd Shariff Bin Omar	-	-	-	-
Dato' Sri Wira Ayub Bin Yaakob	-	-	-	-
Chen Chuen Sum	-	-	-	-
Khat Chee How	-	-	-	-
Lim Siew Yeng	-	-	-	-
Loh Teck Wah	14,087,100	10.058	-	-
Maggie Then	-	-	-	-

ANALYSIS OF WARRANTS HOLDERS

30 Largest warrantholders as at 30 June 2025

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of warrants held	% of issued warrants
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NSK TRADING SDN BHD	45,982,900	32.833%
2	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR KUAN KAR CHIN	12,174,200	8.692%
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH TECK WAH	11,389,100	8.132%
4	NSK TRADING SDN BHD	7,323,000	5.228%
5	TOH CHEE THIN	6,793,467	4.850%
6	KUAN KAR CHIN	6,285,600	4.488%
7	TANG BEIRUI	3,620,500	2.585%
8	NG CHEK KIAM	3,250,000	2.320%
9	LEE WAH LIAN	2,790,400	1.992%
10	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH TECK WAH (8090542)	2,698,000	1.926%
11	KHOR TUANG KEAT	2,371,900	1.693%
12	TANG YIN FAN	2,298,413	1.641%
13	YONG CHONG LIM	2,078,913	1.484%
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR OOI PENG CUAN (PB)	1,999,900	1.427%
15	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THAM QUEK NGOK	1,720,650	1.228%
16	SIN WI KOCK	1,623,700	1.159%
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW YOKE KUAN (E-KPG)	1,592,700	1.137%
18	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO CHAI HOCK	1,582,250	1.129%
19	TENGKU AB MALEK BIN TENGKU MOHAMED	1,514,600	1.081%
20	LAI LEE MIN, LOUISE	1,180,450	0.842%
21	ANG SUAT MEI	1,035,400	0.739%
22	SKT SUPPLIES SDN BHD	895,700	0.639%
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG LI TAK (7005696)	850,000	0.606%
24	TAN YIT MOI	720,000	0.514%
25	LEE BOON KOON	650,000	0.464%
26	TEO CHUNG WEE	635,100	0.453%
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHONG LIM (7006038)	624,500	0.445%
28	TAN YEW CHONG	500,000	0.357%
29	DARREN THAM JOON KIT	355,500	0.253%
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHANG FOO WAH	350,000	0.249%

NOTICE OF TWENTY-SECOND (22ND) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of the Company will be held at Oriental Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 25 September 2025 at 10:30 a.m. to transact the following businesses:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2025 (Please refer to together with the Reports of the Directors and Auditors thereon. Explanatory Note 1)

2. To re-elect the following Directors who retire pursuant to Clause 111(1) of the Constitution of the Company:-

i. Dato' Sri Wira Ayub Bin Yaakobii. Mr. Khat Chee How[Resolution 1]

3. To approve the payment of Directors' fees of RM306,000/- for the financial year ending [Resolution 3] 31 March 2026.

4. To approve the payment of Directors' benefits of RM35,000/- from 26 September 2025 [Resolution 4] until the next Annual General Meeting of the Company.

5. To re-appoint Grant Thornton Malaysia PLT as auditors of the Company and to authorize [Resolution 5] the Directors to fix their remuneration.

Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications, as Ordinary Resolutions:-

6. ORDINARY RESOLUTION 1

[Resolution 6]

AUTHORITY TO ALLOT AND ISSUE SHARES

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any relevant governmental/regulatory bodies, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company from time to time at such price, and upon such terms and conditions, and for such purposes as the Directors may, in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF TWENTY-SECOND (22ND) ANNUAL GENERAL MEETING

(Cont'd)

7. ORDINARY RESOLUTION 2

[Resolution 7]

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION ("RRPT") OF A REVENUE AND/OR TRADING NATURE ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company, its subsidiaries or any of them to enter into and to give effect to any of the transactions falling within the types of the recurrent related party transactions, particulars of which are set out in Section 2.3 of the Circular to Shareholders dated 31 July 2025 ("Circular") with the Related Party as described in the said Circular, provided that such transactions are of revenue and/or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next Annual General Meeting, the authority is renewed;
- (ii) the expiration of the period within which the next Annual General Meeting after that date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting; whichever is the earlier;

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may deem fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Existing Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Existing Shareholders' Mandate in the best interest of the Company."

NOTICE OF TWENTY-SECOND (22ND) ANNUAL GENERAL MEETING (Cont'd)

8. To transact any other business of which due notice has been given.

By Order of the Board

MAK CHOOI PENG

(MAICSA 7017931) SSM PC No. 201908000889 Company Secretary

Kuala Lumpur 31 July 2025

NOTICE OF TWENTY-SECOND (22ND) ANNUAL GENERAL MEETING

(Cont'd)

NOTES:-

- a. A member entitled to attend and vote at the 22nd AGM may appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy save that the proxy must be of full age.
- b. The instrument appointing a proxy shall be in writing (in the common seal or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- c. The duly completed Proxy Form must be deposited at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time fixed for convening the 22nd AGM or any adjournment thereof Provided That, in the event the member(s) duly executed the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Proxy Forms, other than the particulars of the proxy have been duly completed by the member(s).
- d. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Depositories Act"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e. 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. An exempted authorised nominee refers to an authorised nominee defined under the Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act.
- f. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- g. If a member has appointed a proxy to attend a meeting and subsequently, he attends such meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend the said meeting.
- h. Only members whose names appear in the Record of Depositors as at 18 September 2025 will be entitled to attend, vote and speak at the 22nd AGM or appoint proxy(ies) to attend, vote and speak on their behalf.
- i. The resolutions as set out in this notice of 22nd AGM is to be voted by poll.

NOTICE OF TWENTY-SECOND (22ND) ANNUAL GENERAL MEETING (Cont'd)

Explanatory Notes

1. <u>Item 1 of the Agenda</u>

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. <u>Items 2 of the Agenda – Re-election of Directors</u>

Dato' Sri Wira Ayub Bin Yaakob and Mr. Khat Chee How ("Retiring Directors"), who retire in accordance with Clause 111(1) of the Company's Constitution and being eligible, have offered themselves for re-election.

The Nomination Committee ("NC") carried out the assessment with the affected NC member abstaining from all deliberations and recommendations.

The NC had assessed the Retiring Directors and considered their performance and contribution based on the Self and Peer assessment, their contribution to the Board and Board committees deliberations, time commitment and their ability to act in the best interests of the Company in decision-making. The Board has recommended their re-election based on the following considerations and the recommendation by the NC:-

- (i) satisfactory performance and they have met the Board's expectation in discharging their duties and responsibilities;
- (ii) met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company;
- (iii) level of independence demonstrated by the independent director; and
- (iv) their ability to act in the best interest of the Company in decision-making.

The profiles of the Retiring Directors are stated in the Annual Report 2025 of the Company.

3. <u>Items 3 and 4 of the Agenda</u>

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors shall be approved at a general meeting. The details of the Directors' remuneration are set out in the Corporate Governance Overview Statement of this Annual Report.

The proposed Resolution 3 is to facilitate the payment of Directors' fees on a current financial year basis, calculated based on the current board size. In the event the Directors' fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

The proposed Resolution 4 for the Directors' benefits are benefit payable to the directors and meeting allowances. The meeting allowances are calculated based on the current Board size and the number of scheduled Board and Board Committees meetings from 26 September 2025 to the next Annual General Meeting. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for the shortfall.

4. <u>Item 5 of the Agenda – Re-appointment of Auditors</u>

The Audit Committee had undertaken an annual assessment of the external auditors, Grant Thornton Malaysia PLT ("GT") including their independence, scope of audit, audit fee, expertise and experience, performance based on annual audit scope and planning. The Audit Committee and the Board were satisfied with the suitability of GT on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.

NOTICE OF TWENTY-SECOND (22ND) ANNUAL GENERAL MEETING

(Cont'd)

Special Business

5. <u>Item 6 of the Agenda - Authority to Allot and Issue Shares</u>

The proposed Ordinary Resolution 1 is for the purpose of granting a renewal of a general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the total issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

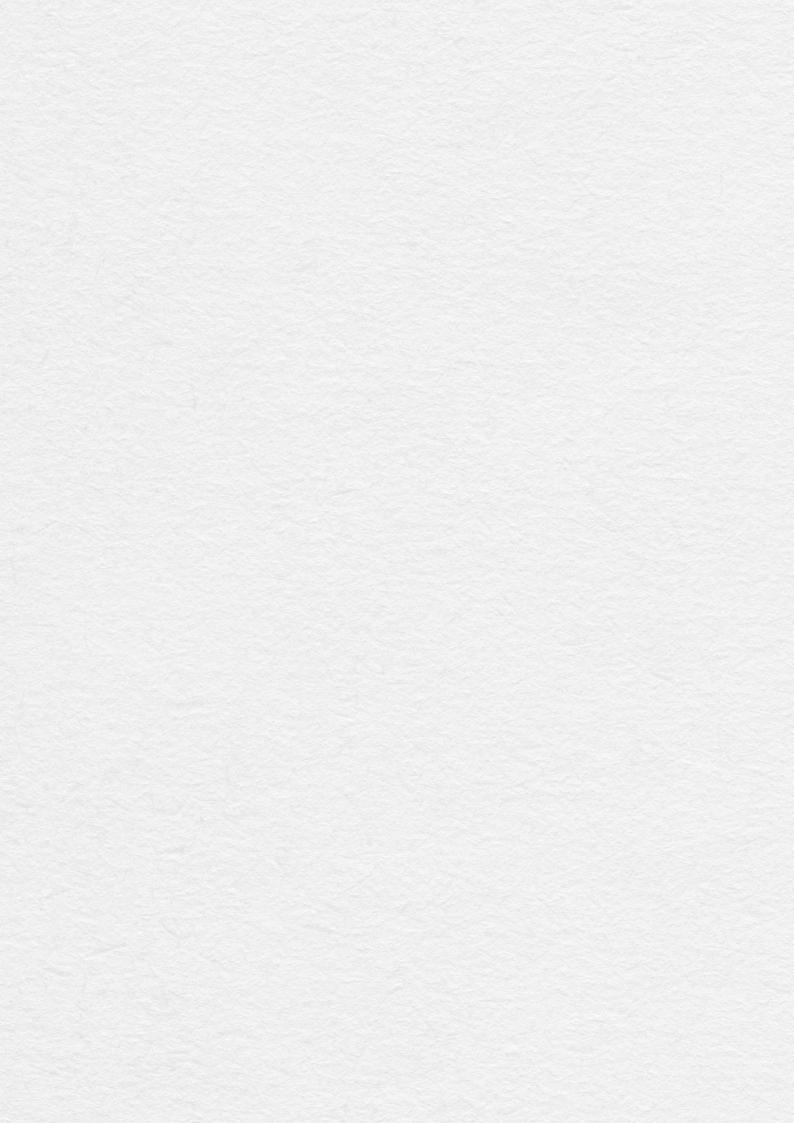
The General Mandate will provide flexibility to the Company to issue shares for any possible fundraising activities, including but not limited for further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the Twenty-First Annual General Meeting of the Company held on 26 September 2024, which will lapse at the conclusion of the 22nd AGM of the Company. Hence, no proceeds were raised therefrom.

6. <u>Items 7 of the Agenda – Proposed Renewal of Existing Shareholders' Mandate</u>

The proposed Ordinary Resolutions 2, if passed, will allow the Group to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and which are not detrimental to the interests of the minority shareholders.

Please refer to the Circular to Shareholders dated 31 July 2025 for further information.



PROXY FORM

VERSATILE CREATIVE BERHAD [Registration No. 200301001350 (603770-D)] (Incorporated in Malaysia)

No. of Ordinary Shares held :		
CDS Account No. :		
Proportion of shareholdings to	First Proxy:	
be represented by proxies	Second Proxy:	
Contact No.:		

being a	(FULL NAME IN CAPITAL LETTERS) (FULL ADDRESS) a member/members of Versatile Creative Berhad hereby appoint			
	NRIC / Pas	sport No.		
of	(FULL NAME IN CAPITAL LETTERS)			
*and/or failing him/her,		Passport No		
01	(FULL ADDRESS)			
Annual	ng him, the Chairman of the Meeting as *my/our proxy to vote for *me/us General Meeting of the Company to be held at Oriental Room, Bukit Jala, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 25 September 2025 at .	il Golf & Cou	ntry Reso	rt, Jalan Jalil
Item	AGENDA	Resolution	For	Against
1.	Ordinary Business Receive the Audited Financial Statements for the financial year ended 31 March 2025 together with the Reports of the Directors and Auditors thereon.			
2.	Re-election of Dato' Sri Wira Ayub Bin Yaakob as Director	1		
3.	Re-election of Mr. Khat Chee How as Director	2		
4.	Approval of Directors' fees of RM306,000/- for the financial year ending 31 March 2026.	3		
5.	Approval of Directors' benefits of RM35,000/- from 26 September 2025 until the next Annual General Meeting of the Company	4		
6.	To re-appoint Grant Thornton Malaysia PLT as auditors of the Company	5		
	Special Business			
7.	Ordinary Resolution 1 - Authority to Allot and Issue Shares	6		
8.	Ordinary Resolution 2 - Proposed Renewal of Existing Shareholders' Mandate	7		
In the a	indicate with an "X" in the space provided whether you wish your votes to be absence of specific directions, your proxy will vote or abstain as he/she thin ess my/our hand(s) thisday of2025.		against the	e resolutions.

^{*}Strike out whichever is not desired. (Unless otherwise instructed the proxy may vote as he thinks fit)

NOTES:

- a. A member entitled to attend and vote at the 22nd AGM may appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy save that the proxy must be of full age.
- b. The instrument appointing a proxy shall be in writing (in the common seal or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- c. The duly completed Proxy Form must be deposited at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time fixed for convening the 22nd AGM or any adjournment thereof Provided That, in the event the member(s) duly executed the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Proxy Forms, other than the particulars of the proxy have been duly completed by the member(s).
- d. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Depositories Act"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
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- i. The resolutions as set out in this notice of 22nd AGM is to be voted by poll.

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AFFIX STAMP



THE SHARE REGISTRAR TRICOR INVESTOR & ISSUING SERVICES SDN. BHD.

Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi 59200 Kuala Lumpur

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