

CARLO RINO



ANNUAL
REPORT **20
25**

CARLO RINO

OUR CORPORATE JOURNEY

WE LEAP TO ACE
thank you everyone
for your continued support

ACE MARKET



• 18 December 2024 •

LEAP MARKET



• 28 November 2018 •



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CORPORATE DIARY

COLLABORATION WITH WARNERS BROS.

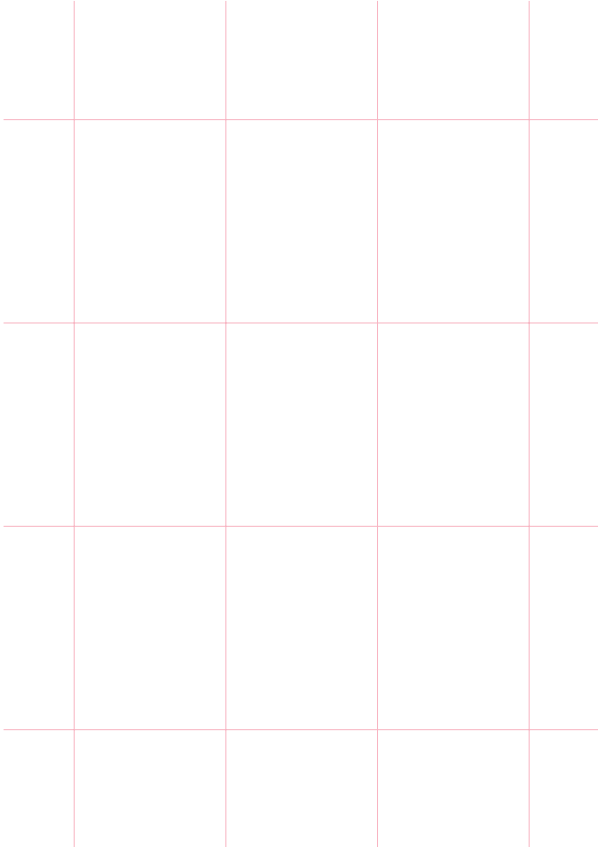
In financial year 2025 ("FY2025"), as part of our ongoing brand initiatives, CARLO RINO collaborated with Warner Bros. to incorporate some of its iconic characters into our product offerings, bringing pop culture to life through fashion.

One of the key highlights was the launch of the **Joker and Harley Quinn Special Edition Collection**, inspired by Gotham's legendary duo. Drawing from The Joker's rebellious edge and Harley Quinn's whimsical charm, the collection featured bold yet functional designs that captured the spirit of these unforgettable characters.

**HARLEY
QUINN**



CORPORATE DIARY



CORPORATE DIARY

INTRODUCTION OF NEW BOUTIQUE CONCEPT

In August 2024, CARLO RINO unveiled a newly conceptualized boutique designed to elevate the customer retail experience and reflect the brand's evolving identity. This refreshed boutique format introduces a more refined store layout and enhanced aesthetic, aimed at creating a welcoming and immersive environment for customers.

To commemorate the launch, guests were invited to experience the new boutique and were treated to exclusive goodie bags and complimentary ice cream. This initiative not only celebrated the introduction of the new concept but also reinforced our commitment to deepening customer engagement by fostering meaningful connections, promoting a sense of community, and delivering memorable brand experiences.



CORPORATE DIARY

BRAND VISIBILITY AND CUSTOMER ENGAGEMENT

As part of our strategic efforts to enhance our brand visibility and strengthen customer engagements, we strategically deployed billboard advertising across high-traffic areas during FY2025. Prominent sites such as Jalan Sungai Besi, Jalan Duta and Jalan Imbi were selected to maximise reach and exposure. This initiative aimed to deliver clear, timely brand messaging to the public, reinforcing awareness and supporting informed purchasing decisions.



Jalan Sungai Besi



CORPORATE DIARY



➡ Jalan Duta



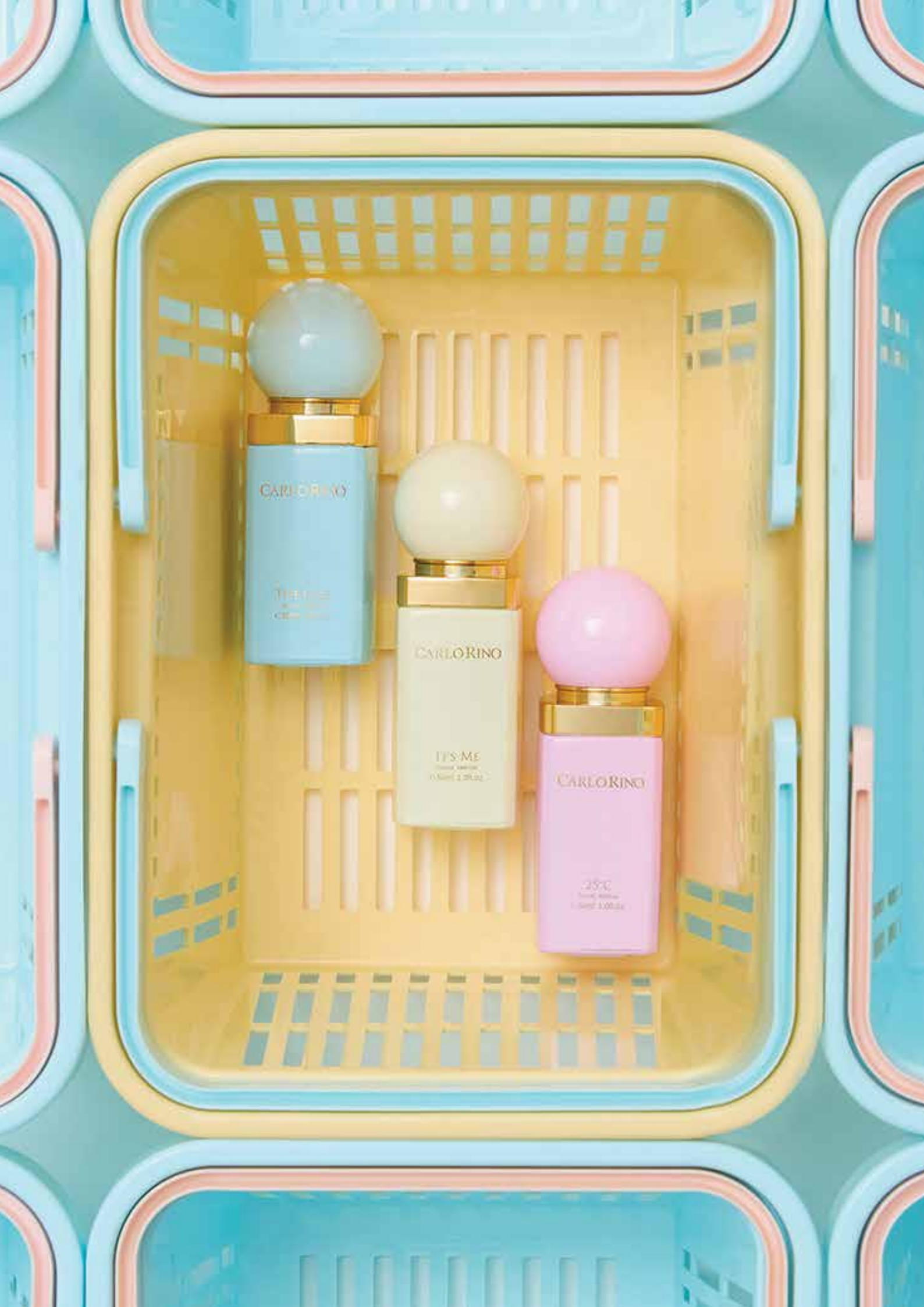
➡ Jalan Imbi

CORPORATE DIARY

KEY OPINION LEADERS (KOLS)

Throughout FY2025, CARLO RINO collaborated with influential Key Opinion Leaders (KOLs) who exemplify a vibrant, stylish, and contemporary aesthetic that resonates with the brand's identity. Recognising the growing influence of KOLs in shaping consumer behavior and trends, these partnerships reflect our strategic commitment to staying connected with trendsetters and adapting to the evolving digital landscape.





CORPORATE DIARY

SOCIAL MEDIA ENGAGEMENT CAMPAIGN

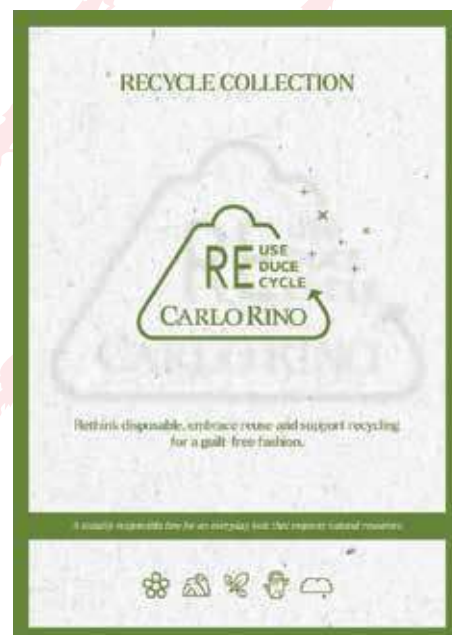
In June 2025, CARLO RINO organized a social giveaway contest as a strategic initiative to enhance customer interaction and strengthen brand engagement. This giveaways includes CARLO RINO Superman products and Superman movie tickets. By offering exclusive rewards, the contest provided participants with an opportunity to connect more meaningfully with the brand while fostering a sense of inclusion within the broader brand community.



CORPORATE DIARY

PROMOTING ENVIRONMENTAL RESPONSIBILITIES

In December 2024 and May 2025, CARLO RINO introduced Recycle Collection initiatives aimed at promoting environmental sustainability. These efforts contribute to environmental preservation by minimizing landfill waste, conserving natural resources, and reducing carbon emissions through responsible waste management and sustainable practices.



CORPORATE DIARY

CONNECTING WITH YOUTH THROUGH MUSIC AND FASHION

In September 2024, fans gathered to experience THE BOYZ, the South Korean K-pop group, live in concert—a high-energy event filled with captivating performances and memorable fan interactions. As a co-sponsor of this exciting cultural moment, CARLO RINO launched an on-ground activation aligned with our commitment to advancing cultural expression, empowering youth, and nurturing creative communities through the connection of fashion, music, and identity.

Co-Sponsor
CARLO RINO

THE BOYZ WORLD TOUR:
ZENERATION II
IN KUALA LUMPUR

2024. 09. 07 SAT
MEGA STAR ARENA, KUALA LUMPUR
starplanet.com.my | my.bookmyshow.com

IST ENTERTAINMENT DREAM MAKER ENTERTAINMENT LIMITED STAR PLANET SDN BHD

Co-Sponsor **CARLO RINO**

EXCLUSIVE MEMBERS' REWARD

WIN

ZONE C TICKETS WORTH
RM 1,176 PER PAIR WEEKLY

CORPORATE DIARY



Fans who participated in the activation received branded hand fans and stickers as exclusive giveaways. This initiative provided an immersive brand experience, offering meaningful engagement, memorable interactions, and unique rewards that enriched their concert journey while strengthening their connection with both the brand and their favorite artists.



CORPORATE DIARY

PARTICIPATION IN CULTURAL AND TOURISM INITIATIVES

As part of our commitment to supporting tourism, culture, and community engagement, CARLO RINO proudly sponsored Miss Tourism International 2024 in December 2024. This partnership provided the pageant with an exclusive brand experience, fostering meaningful relationships and collaboration.



CORPORATE DIARY

As part of this collaboration, the delegates of Miss Tourism International 2024 also visited the CARLO RINO boutique. This visit offered the candidates an opportunity to explore the boutique and experience our current collection up close, further connecting them with the essence of the CARLO RINO brand. It was a unique opportunity to celebrate style, culture, and connection—hallmarks of both CARLO RINO and Miss Tourism International.



CORPORATE INFORMATION

AS AT 01 OCTOBER 2025

Board Of Directors

VINCENT LOH

Independent Non-Executive Chairman

LEE CHWEE KIN

Executive Director

LIM LAY CHING

Independent Non-Executive Director

DATO' SRI CHIANG FONG YEE

Group Managing Director

CHIN PECK LI

Independent Non-Executive Director

KAM SIN LIN

Independent Non-Executive Director

**AUDIT & RISK MANAGEMENT
COMMITTEE**

Chin Peck Li (Chairperson)
Kam Sin Lin (Member)
Lim Lay Ching (Member)

**REMUNERATION
COMMITTEE**

Lim Lay Ching (Chairperson)
Chin Peck Li (Member)
Kam Sin Lin (Member)

**NOMINATION
COMMITTEE**

Kam Sin Lin (Chairperson)
Chin Peck Li (Member)
Lim Lay Ching (Member)

AUDITORS

BDO PLT
Audit Firm No. 201906000013
(LLP0018825-LCA) & AF 0206
Chartered Accountants
Level 8, BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan, Malaysia

HEAD OFFICE

L2-05, 2nd Floor, Ikon Connaught
Lot 160, Jalan Cerdas
Taman Connaught
56000 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Email address : ir@carlorino.net
Tel : +603-9108 9600

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Sector : Consumer Products & Services
Indices : Syariah
Stock Name : CARLORINO
Stock Code : 0335
ISIN Code : MYQ033500008

COMPANY SECRETARY

Wong Yen Lee
Membership No. MAICSA 7046106
SSM Practising Certificate
No. 202008001170

REGISTERED OFFICE

No.5-1, Jalan Radin Bagus 9
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : +603-9054 1498

SPONSOR

TA Securities Holdings Berhad
32nd Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : +603-2072 1277

SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7784 3922



CORPORATE INFORMATION

As at 01 October 2025

**E-COMMERCE PLATFORM**www.carlorino.net/my/**CUSTOMER SERVICE**

OFFLINE: 03-9108 9696

ONLINE: 03-9108 9666

EMAILOFFLINE: customercare@carlorino.netONLINE: ecustomercare@carlorino.netwww.carlorino.net/my/www.facebook.com/carlorino.netwww.instagram.com/carlorino/www.tiktok.com/@carlorino_official

ID: CarloRino

www.youtube.com/@carlorinofashion

ID: carlorino_official



C.Rino



PROFILES OF DIRECTORS

AS AT 01 OCTOBER 2025

VINCENT LOH

Independent Non-Executive Chairman

| Male | Malaysian | 75 |

DATE OF APPOINTMENT

15 January 2024

BOARD COMMITTEE MEMBERSHIP

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION

- Fellow of the Institute of Chartered Accountants in England & Wales, United Kingdom ("FCA")
- Fellow of the Institute of Corporate Directors of Malaysia ("ICDM(F)")
- Certified Professional Trainer - Malaysian Institute of Management (MIM-CPT)

WORKING EXPERIENCE AND OCCUPATION

Present:

- Core Management Resources - Chief Executive
- ICDM Faculty Member

Past:

- Visdynamics Holdings Berhad - Independent Non-Executive Chairman
- Royal Selangor International Sdn. Bhd. - Group General Manager
- FACB Bhd (now known as Karambunai Corp Bhd) - Chief Financial Officer
- PA Technology Ltd - Commercial Director
- PA Consulting Group Ltd - Regional Financial Officer
- Dearden Farrow & Co - Audit Supervisor

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

PROFILES OF DIRECTORS

As at 01 October 2025

DATO' SRI CHIANG FONG YEE

Group Managing Director

| Male | Malaysian | 48 |

DATE OF APPOINTMENT

23 November 2009

BOARD COMMITTEE MEMBERSHIP

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION

- Bachelor of Arts in Marketing with Statistics from Middlesex University, United Kingdom

WORKING EXPERIENCE AND OCCUPATION

Present:

- Carlo Rino Group - He plays an integral role in developing Carlo Rino Group's business strategy with the management team and focuses on the Group's expansion and growth, market entry, sustainability, profitability and operational efficiency

Past:

- Bonia Corporation Berhad – Alternate Director
- CB Marketing Sdn. Bhd. - Director

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

PROFILES OF DIRECTORS

As at 01 October 2025

LEE CHWEE KIN

Executive Director

- | Female
- | Malaysian
- | 50

CHIN PECK LI

Independent
Non-Executive Director

- | Female
- | Malaysian
- | 54

DATE OF APPOINTMENT

01 January 2025

BOARD COMMITTEE MEMBERSHIP

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION

- Bachelor of Business (majoring in Accounting and Finance) from University of Technology, Sydney
- Chartered Accountant of the Malaysian Institute of Accountants ("MIA")

WORKING EXPERIENCE AND OCCUPATION

Present:

- Carlo Rino Group - She manages the Accounting and Finance division of Carlo Rino Group with the main role to ensure the Group's financial health by monitoring all financial planning, analysis activities and reporting

Past:

- CB Holdings (Malaysia) Sdn. Bhd. - Assistant Accountant
- Lee & Lee Allied Associates Sdn. Bhd. - Co-Founder
- Lim Hoon Nam & Co. - Audit Senior Associate
- Robert Teo, Kuan & Co. - Audit Semi-Senior 2

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

DATE OF APPOINTMENT

15 January 2024

BOARD COMMITTEE MEMBERSHIP

- Chairperson of the Audit & Risk Management Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee

ACADEMIC/PROFESSIONAL QUALIFICATION

- Master of Finance from Royal Melbourne Institute of Technology Australia ("RMIT")
- Degree in Bachelor of Business (Accountancy) from RMIT
- Fellow of the Certified Practising Accountant, Australia
- Member and Chartered Accountant for the Malaysian Institute of Accountants
- Chartered Tax Practitioner of the Chartered Tax Institute of Malaysia
- Affiliate of The Malaysian Institute of Chartered Secretaries and Administrators

WORKING EXPERIENCE AND OCCUPATION

Present:

- CPL And Co PLT - Partner
- CPL Taxation Services Sdn. Bhd. - Director
- CPL Secretarial Services Sdn. Bhd. - Director

Past:

- TPC Plus Berhad - Independent Non-Executive Director
- Huat Lai Resources Berhad - Independent Non-Executive Director
- Multimedia University - Lecturer
- PriceWaterhouseCoopers - Associate Consultant in Taxation

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- Visdynamics Holdings Berhad - Independent Non-Executive Director
- MYMBN Berhad - Independent Non-Executive Director

PROFILES OF DIRECTORS

As at 01 October 2025

LIM LAY CHING

Independent
Non-Executive Director

- | Female
- | Malaysian
- | 58

KAM SIN LIN

Independent
Non-Executive Director

- | Female
- | Malaysian
- | 50

DATE OF APPOINTMENT

15 January 2024

BOARD COMMITTEE MEMBERSHIP

- Chairperson of the Remuneration Committee
- Member of the Audit & Risk Management Committee
- Member of the Nomination Committee

ACADEMIC/PROFESSIONAL QUALIFICATION

- Degree in Bachelor of Laws from Universiti Malaya

WORKING EXPERIENCE AND OCCUPATION

Present:

- Koh Kim Leng & Co – Partner

Past:

- Cubic Electronics Sdn. Bhd. – Manager
- Kimble Furniture Corporation (M) Sdn. Bhd. – Internal Audit Manager
- Koh Kim Leng & Co – Legal Assistant
- Mohd Ali & Co – Legal Assistant

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- CSC Steel Holdings Berhad – Non-Independent Non-Executive Director

DATE OF APPOINTMENT

15 January 2024

BOARD COMMITTEE MEMBERSHIP

- Chairperson of the Nomination Committee
- Member of the Audit & Risk Management Committee
- Member of the Remuneration Committee

ACADEMIC/PROFESSIONAL QUALIFICATION

- Member of The Association of Chartered Certified Accountants ("ACCA")
- Chartered Accountant with the Malaysian Institute of Accountants ("MIA")

WORKING EXPERIENCE AND OCCUPATION

Present:

- Mr. D.I.Y. International Sdn. Bhd. – Vice President, Regional Corporate Finance

Past:

- reNIKOLA Solar Sdn. Bhd. – Head, Strategy
- ZJ Advisory Sdn. Bhd. – Director, Corporate Finance
- CIMB Investment Bank Berhad – Director of Corporate Finance Department
- Meda Development Sdn. Bhd. (now known as Bounty Dynamics Sdn. Bhd.) – Accountant
- Moores Rowland – Audit Supervisor

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

Notes:

1. Dato' Sri Chiang Fong Yee is the eldest son of Chiang Sang Sem (a Substantial Shareholder of the Company).
2. Save as disclosed, none of the Directors of the Company have:
 - any family relationship with any Directors, Substantial Shareholders or Key Senior Management of Company;
 - any conflict of interest with the Company and/or its subsidiaries; and
 - any conviction for offences (other than traffic offences, if any) within the past 5 years, and/or any public sanction or penalty imposed by the relevant regulatory bodies during FY2025.
3. The Directors' interests in the Company and/or its subsidiaries (if any) are detailed in the Financial Statements section and the Analysis of Shareholdings section of this Annual Report.

PROFILES OF KEY SENIOR MANAGEMENT

AS AT 01 OCTOBER 2025

SEH CHI KHANG

Assistant General Manager,
Business Development

- | Male
- | Malaysian
- | 46

LEE YOKE MEI

Head of Merchandising

- | Female
- | Malaysian
- | 49

DATE OF APPOINTMENT TO THE KEY SENIOR MANAGEMENT POSITION

1 January 2019

ACADEMIC/PROFESSIONAL QUALIFICATION

- Attended a modular programme in business studies at Nilai College Malaysia (now known as Nilai University)

WORKING EXPERIENCE AND OCCUPATION

Present:

- Carlo Rino Group - He oversees the activities of sales, marketing, business development, boutique and counter management and operations, customer relationship, export, e-commerce and branding for Carlo Rino Group's products.

Past:

- Viss Franchise Sdn. Bhd. - Assistant General Manager
- KSH Electrical Sdn. Bhd. - Sales and Purchase Manager
- Citibank Berhad - Sales Executive

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

DATE OF APPOINTMENT TO THE KEY SENIOR MANAGEMENT POSITION

1 July 2022

ACADEMIC/PROFESSIONAL QUALIFICATION

- Advance Certificate in Marketing from Stamford College

WORKING EXPERIENCE AND OCCUPATION

Present:

- Carlo Rino Group - She oversees the merchandising division as well as the branding management and supplier relationship for Carlo Rino Group.

Past:

- CB Marketing Sdn. Bhd. - Marketing Support Executive
- Friday Communication Sdn. Bhd. - Sales Coordinator
- To-Day Telecommunication Sdn. Bhd. - Administrative Assistant

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

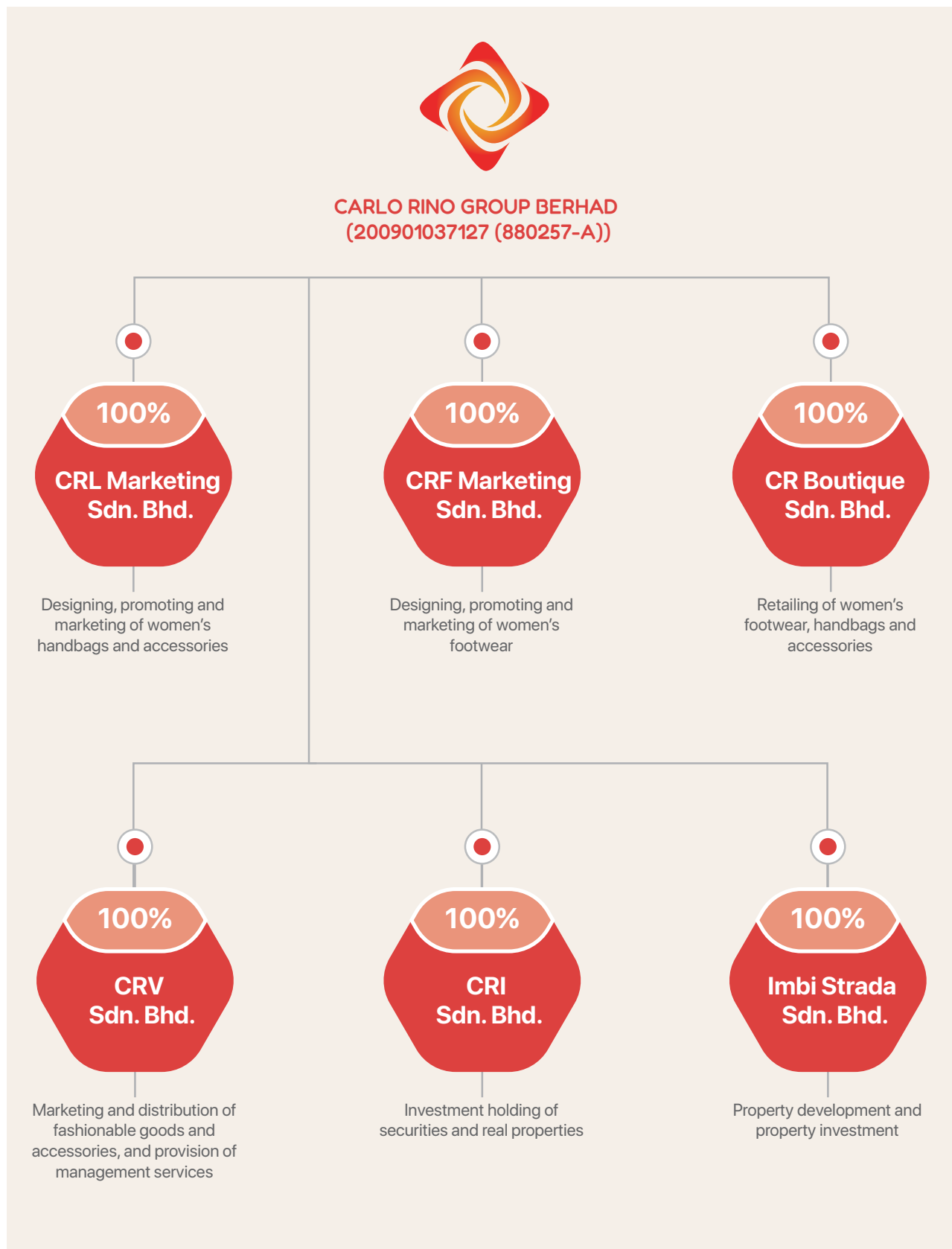
Notes:

Save as disclosed, none of the Key Senior Management have:

- any directorship in public companies and listed issuers;
- any family relationship with any Directors, Substantial Shareholders, and/or other Key Senior Management of the Company;
- any conflict of interest with the Company and/or its subsidiaries;
- any conviction for offences (other than traffic offences, if any) within the past 5 years;
- any public sanction or penalty imposed by the relevant regulatory bodies during FY2025; and
- any interest in shares in the Company and/or its subsidiaries.



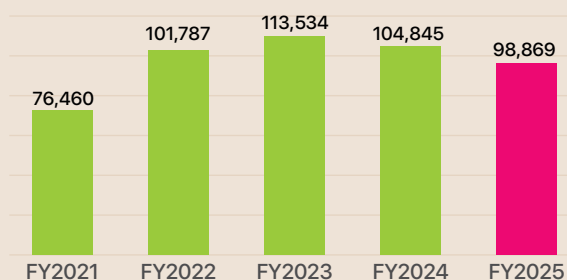
CORPORATE STRUCTURE



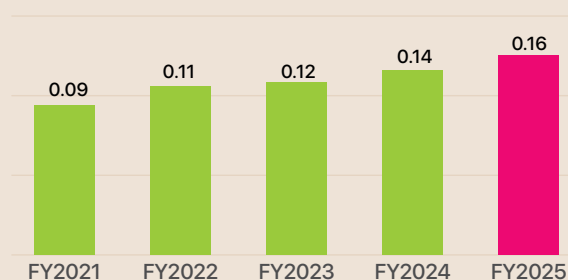
GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR	FY2021	FY2022	FY2023	FY2024	FY2025
Key Operating Results (RM'000)					
Revenue	76,460	101,787	113,534	104,845	98,869
Gross profit	44,392	63,043	70,064	65,862	62,494
Profit before tax	8,073	29,033	31,450	26,270	21,180
Profit after tax	3,984	22,230	23,853	19,305	15,666
Other Key Data (RM'000)					
Total assets	112,778	136,107	149,033	150,098	194,388
Total liabilities	40,666	45,787	48,853	38,420	35,285
Shareholders' equity	72,112	90,320	100,180	111,678	159,103
Net cash generated from operating activities	15,645	20,783	35,061	22,355	17,510
Financial Ratio (%)					
Gross profit margin	58.06	61.94	61.71	62.82	63.21
Profit before tax margin	10.56	28.52	27.70	25.06	21.42
Profit after tax margin	5.21	21.84	21.01	18.41	15.85
Gearing ratio (times)	0.18	0.13	0.20	0.07	0.04
Share information					
Basic and diluted Earnings per share (sen)	0.49	2.76	2.96	2.40	1.75
Number of shares in issue ('000)	805,651	805,651	805,651	805,651	977,517
Net assets per share (RM)	0.09	0.11	0.12	0.14	0.16
Weighted average share ('000)	805,651	805,651	805,651	805,651	897,470

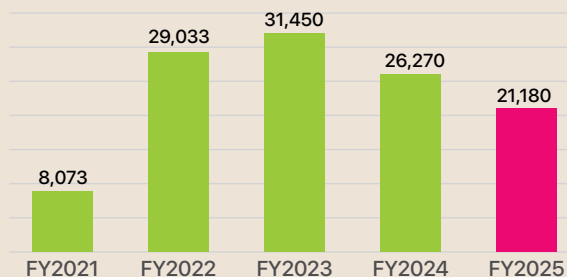
REVENUE (RM'000)



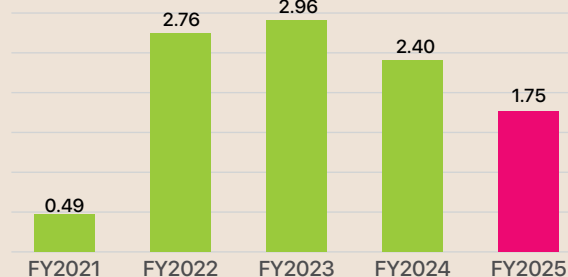
NET ASSETS PER SHARE (RM)



PROFIT BEFORE TAX (RM'000)



BASIC AND DILUTED EARNINGS PER SHARE (sen)



BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

THE START OF A NEW JOURNEY

The financial year ended 30 June 2025 ("FY2025") marked a significant milestone for Carlo Rino Group Berhad ("CRG" or "Company") and its subsidiaries (collectively, "CRG Group" or "Group"). This financial year was distinguished by our successful listing transfer from the LEAP Market to the ACE Market of Bursa Malaysia Securities Berhad on 18 December 2024. This strategic advancement has enhanced our market visibility, broadened investor access and unlock new opportunities for CRG to further strengthen and elevate our brands.



BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS



We are pleased to present the Board Report and Management Discussion and Analysis for CRG for FY2025. This report provides an overview of the Group, covering the Group's business strategies, operational and financial performance, challenges faced and future outlook.

BUSINESS OVERVIEW

The Group is a contemporary fast-fashion retailer specialising in the business of designing, promoting, marketing, distributing and retailing of women's handbags, footwear and accessories under the brand name of CARLO RINO and C.Rino. In addition to our core fashion retail operations, the Group also involved in property development and property investment, investment holdings of securities, and provision of management services.

Our core product categories include women's handbags, footwear and fashion accessories. In line with our strategy to offer a holistic fashion lifestyle experience, the Group has progressively expanded our product offerings to include complementary items such as timepieces, perfumes, sunglasses, and scarves. These additions enhance the Group's appeal to a wider customer base and support increased basket sizes through effective cross-selling strategies.

The Group operates through a multi-channel distribution model that ensures strong brand visibility and accessibility across Malaysia. This includes three key distribution channels, which are the standalone boutiques, departmental store counters, and e-commerce platforms.

Standalone boutiques, strategically located in major shopping malls, serve as key brand experience centres for CARLO RINO. These stores strengthen customer engagement and provide broad and representative selection of the brand's product offerings, allowing customers to interact directly with the brand in a dedicated retail environment. Complementing the boutique network are departmental store counters, which serve as additional consumer touchpoints and extend the brand's reach to a wider customer base.

As of the end of the financial year under review, the Group operated a total of 41 standalone boutiques, including mall and premium outlet boutiques and 83 departmental store counters across the nation. These outlets collectively form a nationwide retail network that enables the Group to serve a diverse customer base and maintain a consistent brand presence across various demographic and geographic segments.

The table below summarises the Group's physical retail presence in Malaysia:

Region	Departmental Store Counters	Mall Boutiques	Premium Outlet Boutiques	Total
Central	40	13	1	54
Northern	15	6	2	23
Southern	16	8	2	26
East Coast	6	6	1	13
East Malaysia	6	2	-	8
Total	83	35	6	124

BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW (continued)

In addition to our physical retail presence, the Group has continued to strengthen our e-commerce capabilities to extend customer reach and enhance shopping convenience. The Group operates its online store, which is accessible worldwide, and is also actively present on various third-party e-commerce marketplace such as Zalora, Lazada, Shopee and Tik Tok Shop. This allows the Group to engage with consumers across Malaysia, extending its reach beyond areas served by physical outlets.

The integration of online and offline channels supports the Group's omnichannel strategy, enabling consistent brand engagement and improved customer accessibility. These diversified retail channels also contribute to stable sales performance and enhance the Group's ability to adapt to changes in consumer shopping behaviours.

With a broadening product range and an established multi-channel presence, the Group is well-positioned for continued growth. As the retail landscape evolves, the Group remains agile and responsive, while staying focused on delivering fashion that is both high-quality and affordable to our customers.

BUSINESS STRATEGIES

CRG Group's business strategies are shaped by our commitment to sustainable growth, operational excellence, and continued relevance in an ever-evolving fashion and retail industry. In light of industry trends and consumer behavior shifts, the Group has put in place several forward-looking strategies to strengthen our brands, deepen customer engagement, and expand our market presence.

1 Strengthening Physical Retail Footprint

While digital retail is growing in importance, the Group remains committed to strengthening our physical retail presence, particularly in high-traffic and premium locations. As part of this strategy, the Group is investing in the construction of a flagship boutique in Jalan Imbi, Kuala Lumpur, which will serve not only as a flagship point of sale but also as a branding showcase and experiential store. In parallel, selected existing boutiques and departmental store counters will undergo refurbishment to align with current branding and enhance in-store customer experience.

2 Expanding and Enhancing E-Commerce Capabilities

Recognising the increasing consumer shift towards online shopping, the Group is committed to expand and upgrade our e-commerce platform to enhance operational efficiency.

3 Product Line Expansion and Brand Diversification

To remain competitive in the fast-fashion space, CARLO RINO continuously refreshes and expands our product range. The additions of timepieces, perfumes, sunglasses, and scarves support the Group's ambition to become a full-fledged lifestyle fashion brand. This expansion allows the brands to deepen customer engagement. To ensure each new offering resonates with our target audience, the Group's internal design team actively monitors fashion trends and market feedback to keep products current, relevant and aligned with consumer expectations.

4 Enhancing Brand Equity through Marketing

The Group continues to invest in brand-building activities across both traditional and digital channels. Campaigns are designed to reinforce brand identity, promote new collections, and engage target demographics. Influencer collaborations, seasonal promotions, and thematic launches are employed to maintain visibility and drive interest in key markets.

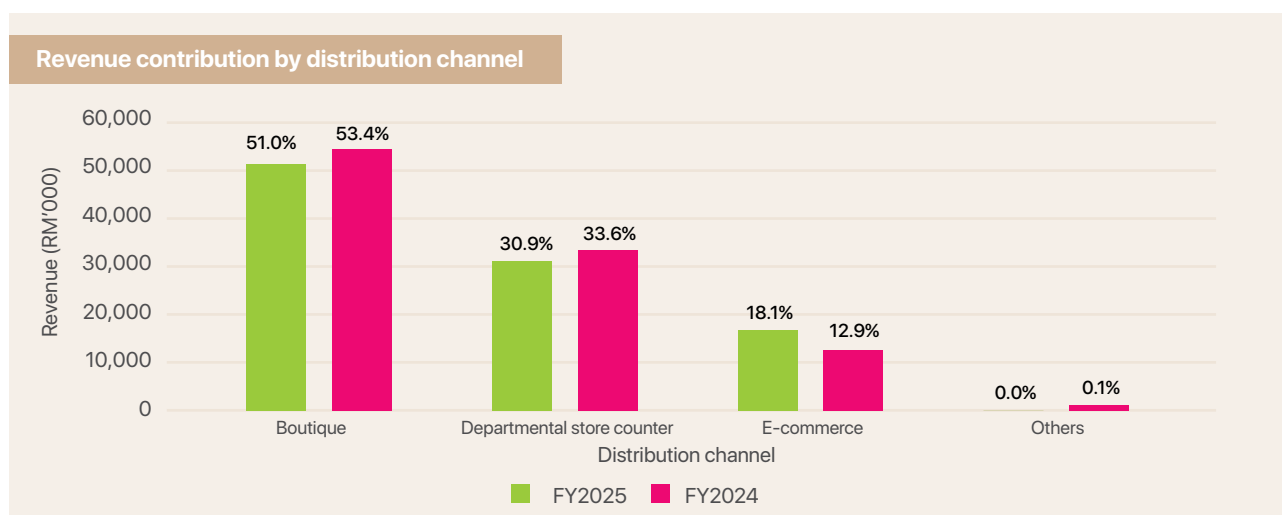
5 Exploring Regional Growth Opportunities

The Group is evaluating opportunities for measured regional expansion, particularly in neighbouring ASEAN countries. This includes the potential to partner with distributors and leverage on e-commerce to reach international markets. Such expansion would be approached cautiously, ensuring it aligns with the Group's capabilities and brand integrity.

BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL REVIEW AND FINANCIAL ANALYSIS

Operational Review



The revenue contribution by distribution channel for FY2025 shows several notable shifts as compared to FY2024. Boutiques remain the largest contributor, accounting for 51.0% of total revenue in FY2025, slightly down from 53.4% in FY2024. Despite the marginal decrease, this channel continues to dominate, indicating that physical retail presence remains a key driver of sales.

Departmental store counters recorded a slight decline in contribution, from 33.6% in FY2024 to 30.9% in FY2025. This reduction reflects a moderation in performance from this channel during the year under review. The company continues to monitor the performance of this channel closely as part of our overall retail strategy.

Conversely, e-commerce demonstrated positive momentum, increasing its revenue contribution from 12.9% in FY2024 to 18.1% in FY2025. This growth reflects the Group's ongoing efforts in strengthening our online presence and capitalising on the increasing consumer preference for digital purchasing channels.

In a nutshell, the current distribution channel mix indicates that while physical retail remains the mainstay of the Group's operations, the continued growth in e-commerce reinforces its role as an increasingly important component of the Group's overall distribution strategy and presents an opportunity for further growth in the digital space.

Financial Analysis

Financial performance

	FY2025 RM'000	FY2024 RM'000	Increase/ (Decrease)
Revenue	98,869	104,845	(5.7%)
Gross Profit	62,494	65,862	(5.1%)
Other operating income	2,343	1,740	34.7%
Operating expense	(42,602)	(40,442)	5.3%
Finance cost	(1,178)	(859)	37.1%
Profit before tax ("PBT")	21,180	26,270	(19.4%)
Taxation	(5,514)	(6,965)	(20.8%)
Profit after tax ("PAT")	15,666	19,305	(18.9%)

BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL REVIEW AND FINANCIAL ANALYSIS (continued)

Financial Analysis (continued)

Financial performance (continued)

In FY2025, the Group recorded revenue of RM98.9 million, representing a decline of 5.7% from RM104.8 million in FY2024. The softer topline performance was mainly due to lower sales from the boutique and departmental store channels, partially mitigated by continued growth in the e-commerce segment. In line with the revenue trend, gross profit moderated to RM62.5 million, from RM65.9 million in the previous financial year. The overall reduction in revenue was primarily driven by inflationary pressure, which have dampened consumer sentiment and led to more cautious spending behavior.

Other operating income rose 34.7% to RM2.3 million, supported mainly by an increase in interest income of approximately RM0.8 million.

The Group's operating expenses stood at RM42.6 million in FY2025, representing a 5.3% increase from the prior financial year. This was primarily driven by higher staff costs, as well as an increase in depreciation of right-of-use ("ROU") assets following the renewal of boutique tenancy agreements and the opening of a new boutique. Operating expenses also included impairment charges on ROU assets and property, plant and equipment, amounting to RM1.5 million.

Finance cost increased to RM1.2 million, from RM0.9 million in FY2024, mainly due to higher lease interest expenses of RM0.3 million, arising from the opening of new boutique and renewal of boutiques tenancy agreements.

Consequently, PBT reduced to RM21.2 million, compared to RM26.3 million in FY2024, while PAT stood at RM15.7 million (FY2024: RM19.3 million). Taxation expense reduced to RM5.5 million (FY2024: RM7.0 million), in line with the lower taxable profit in FY2025.

Financial position review and other information

	FY2025 RM'000	FY2024 RM'000	Increase/ (Decrease)
Total asset	194,388	150,098	29.5%
Total liabilities	35,285	38,420	(8.2%)
Net assets/ Shareholders' equity	159,103	111,678	42.5%

In FY2025, the Group's total assets increased by 29.5% to RM194.4 million, compared to RM150.1 million in FY2024. The growth in total assets was mainly attributable to the increase in cash and bank balances as well as short-term funds, which collectively rose by RM42.2 million. This significant increase was primarily driven by the proceeds received from the Group's Initial Public Offering ("IPO") on 18 December 2024.

In addition to the increase in liquid assets, the Group also recorded an increase in property, plant and equipment, following the completion of property acquisition located in Melaka amounting to RM2.6 million. However, the overall increase in total assets was partially offset by the recognition of a fair value adjustment on the Group's other investment in quoted securities, which was recorded through Other Comprehensive Income.

Correspondingly, total liabilities decreased by 8.2% to RM35.3 million in FY2025, from RM38.4 million in FY2024. The reduction was mainly due to the repayment of term loans, coupled with lower outstanding trade and other payables as at the end of the financial year.

As a result, the Group's net assets/shareholders' equity increased significantly by 42.5%, from RM111.7 million in FY2024 to RM159.1 million in FY2025, reflecting a healthy financial position that provides a solid foundation for future growth and value creation. This strong financial position has enabled the Group to move forward with strategic initiatives aimed at enhancing its brand presence and strengthening market positioning.

BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL REVIEW AND FINANCIAL ANALYSIS (continued)

Financial position review and other information (continued)

A key initiative in this regard is the planned construction of a flagship boutique at Jalan Imbi in Kuala Lumpur City Centre. With an estimated capital outlay of approximately RM15.0 million, funded from IPO proceeds, the project is expected to commence in FY2026 and completed in FY2027.

As part of the Group's broader brand-building strategy, this flagship boutique is envisioned to serve as a physical expression of the Group's identity, which is youthful, vibrant, colourful and bold. Strategically located with excellent accessibility to public transportation, shopping malls, and premium hospitality establishments, the boutique is expected to enhance brand visibility and provide customers with a comfortable and engaging in-store environment to experience the Group's offerings.

	FY2025 RM'000	FY2024 RM'000
Net cash from operating activities	17,510	22,355
Net cash used in investing activities	(29,749)	(8,590)
Net cash from/ (used in) financing activities	26,913	(27,664)
Cash and cash equivalents	61,633	46,963

In FY2025, the Group generated net cash from operating activities amounting to RM17.5 million, compared to RM22.4 million in FY2024. The lower cash flow from operations was primarily attributable to the decrease of PBT in FY2025.

Net cash used in investing activities increased significantly to RM29.7 million in FY2025, from RM8.6 million in the prior financial year. This was mainly due to the higher net placement of short-term funds, amounting to RM27.5 million in FY2025, as compared to RM6.1 million in FY2024.

Net cash from financing activities amounted to RM26.9 million in FY2025, a turnaround from a net outflow of RM27.7 million in FY2024. This positive movement was largely due to proceeds from the issuance of shares pursuant to the Group's IPO, coupled with lower net repayments of term loans during the year under review.

As a result of the above, cash and cash equivalents stood at RM61.6 million, up from RM47.0 million in FY2024, reflecting a stronger liquidity position.

CHALLENGES AND RISKS

As with any business operating in the dynamic and competitive fashion retail industry, the Group is exposed to a range of operational and market-related risks. The Group remains vigilant in identifying, assessing, managing, and mitigating these risks to ensure continued financial stability and operational resilience. The key challenges and risks faced by the Group include:

1 Market Competition and Brand Differentiation

The fashion industry continues to be competitive and evolving. Changes in consumer preferences and increased competition from fast-fashion platforms required the Group to remain responsive through ongoing product development. Sustaining the strength of CARLO RINO and C-Rino brands is important to maintain our market position.

2 Fashion Trends and Inventory Management

Consumer preferences in fashion can be unpredictable and influenced by seasonal trends and social media. As a fast-fashion retailer, the Group strives to respond swiftly to evolving demand through continuous product design and manage inventory effectively through close coordination with suppliers.

3 Operating Environment and Consumer Behavior

The retail industry outlook in Malaysia remains challenging due to ongoing inflationary pressures, global trade tensions, geopolitical uncertainties, rising cost of living, and cautious consumer sentiment. These factors influence consumer spending patterns, which may affect demand for discretionary products. The Group remains vigilant of these external challenges and is continuously reviewing and adapting our business strategies to stay agile and responsive towards the evolving market landscape.

4 Technological and Cybersecurity

With the increasing reliance on digital platforms, the Group recognises the importance of managing risks related to IT system stability and cybersecurity. Measures are continuously reviewed to support business continuity, reflecting the Group's ongoing awareness of these evolving challenges.

BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND PROSPECTS OF THE GROUP

Looking ahead to the FY2026, the Group remains cautiously optimistic about our future performance despite persistent macroeconomic headwinds. Challenges such as inflationary pressures, geopolitical uncertainties and cautious consumer sentiment continue to weigh on the retail sector, contributing to more value-conscious purchasing behaviors.

Malaysia's retail sector is expected to experience moderate recovery, supported by stable employment levels and government initiatives such as wage adjustments, targeted subsidies, and measures targeted to manage inflationary pressures. The government's Visit Malaysia 2026 campaign, along with ongoing tourism promotion efforts and broader policy support, is anticipated to stimulate tourism arrivals and generate a positive spillover effect across a wider retail landscape, including direct retail outlets, as well as supporting segments along the value chain. Collectively, these factors provide a more favourable environment for retail sector growth in the near term.

The Group remains confident in our strategic direction and our ability to adapt to the evolving market dynamics. We continue to focus on three key pillars: strengthening digital and e-commerce capabilities, optimising cost structures and operational efficiency, and enhancing product innovation to better align with everchanging consumer preferences and elevate the customer experience. The ongoing expansion of the e-commerce platform is expected to support broader market reach and drive incremental growth.

In addition, our core brand, CARLO RINO, is set to commemorate its 40th anniversary in 2026, a significant brand milestone that will be celebrated through a nationwide integrated marketing campaign. The campaign will be closely aligned with the momentum generated by Visit Malaysia 2026, with targeted activations and product offerings designed to appeal to both domestic and international audiences.

Despite the uncertain global environment, the Group remains cautiously optimistic about sustaining earnings in FY2026. Our established brand presence, diversified product offerings and broad distribution network continues to support our resilience and long-term growth potential. The Group remains focus on fostering innovation, enhancing customer engagement, and maintaining operational agility to ensure relevance and competitiveness in an evolving retail landscape.

DIVIDENDS

In our commitment to delivering sustainable shareholder value, CRG has adopted a dividend policy to distribute not less than 30% of our consolidated profit after taxation attributable to shareholders for each financial year.

The total dividend paid for the FY2025 comprises:

- i) The first interim single tier dividend of RM0.005 per ordinary share amounted to approximately RM4.03 million, declared on 15 July 2024 and paid on 07 August 2024; and
- ii) The second interim single tier dividend of RM0.005 per ordinary share amounted to approximately RM4.89 million, declared on 24 February 2025 and paid on 26 March 2025.

On 25 August 2025, CRG also declared the first interim single tier dividend of RM0.005 per ordinary share amounted to approximately RM4.89 million for the FY2026, which was paid on 25 September 2025.

MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

Throughout the FY2025 and up to the date of the Report, the Group has not entered into any material contracts (other than those in the ordinary course of business) that involved the interests of any director or substantial shareholder.

BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

UTILISATION OF PROCEEDS RAISED FROM IPO

In conjunction with the IPO on 18 December 2024, the Group raised gross proceeds of RM46.4 million. The utilisation of proceeds as at 30 June 2025 are as follows:

Use of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Reallocation RM'000	Balance to be utilised RM'000	Timeframe for utilisation upon listing RM'000
Construction and the fitting out of a flagship boutique and other facilities (e.g. IT and security system)	15,000	(82)	-	14,918	Within 36 months
Refurbishment of boutiques and counters at departmental stores	3,500	(384)	-	3,116	Within 36 months
Maintenance of IT infrastructure	500	(312)	-	188	Within 24 months
Working capital	23,204	(14,121)	452	9,535	Within 24 months
Defrayment of estimated expenses for the corporate exercises in relation to the transfer of listing, withdrawal of listing and the Company's IPO	4,200	(3,748)	(452)	-	Within 3 months
Total	46,404	(18,647)	-	27,757	

The IPO proceeds of RM46.4 million were primarily allocated for capital expenditure, working capital and listing expenses. As at 30 June 2025, RM18.6 million (40%) has been utilised. The remaining RM27.8 million is expected to be fully utilised within 36 months from the listing date, in line with the utilisation timeframe disclosed in the IPO prospectus. The Board will continue to monitor and ensure prudent use of the remaining funds. During the financial year, the actual listing expenses incurred were lower than the amount originally allocated. As such, the excess proceeds amounting to RM0.5 million were reallocated to the Group's working capital requirements, in accordance with the flexibility provided under the utilisation plan disclosed in the IPO prospectus.

ACKNOWLEDGEMENTS

On behalf of the Board, we would like to express our sincere appreciation to our shareholders for their continued trust and support. We also extend our heartfelt gratitude to our management and staff for their dedication and resilience, our customers for their loyalty, our business partners and financiers for their continued support, and regulators for their constructive engagement. As we move forward, we remain committed to creating sustainable value for all our stakeholders.

For and on behalf of
The Board of Carlo Rino Group Berhad

VINCENT LOH
Independent Non-Executive Chairman

DATO' SRI CHIANG FONG YEE
Group Managing Director

10 October 2025

SUSTAINABILITY STATEMENT



The Board of Directors ("Board") of Carlo Rino Group Berhad ("CRG" or "Company", and references to "CRG Group" or "Group" are to CRG and its subsidiaries) is pleased to present the Sustainability Statement for the financial year ended 30 June 2025 ("FY2025") communicates the Group's approach to sustainability management.

GUIDELINES AND REFERENCES

This Statement has been developed by reference to the Sustainability Reporting Guide (3rd edition) and its accompanying Toolkits released by Bursa Malaysia Securities Berhad ("BMSB"), and it should be read alongside with other sections in the Annual Report 2025 namely Board Report and Management Discussion & Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control as sustainability efforts may be better contextualised and narrated in the respective sections.

SCOPE OF REPORTING

This Statement broadly reflects our sustainability efforts across the Group's operations, unless otherwise specified.

Electricity and water consumption data is currently reported exclusively for our headquarters ("HQ") and warehouse, both located in Cheras, Kuala Lumpur. This limitation stems from the fact that sustainability initiatives related to electricity and water usage for our boutiques and counters operating within shopping malls and departmental stores, are managed by the respective landlords or their appointed representatives. These areas fall outside the operational scope of our team, and any related measures, improvements, or decisions are overseen by the landlords' facilities management or other relevant parties.

ASSURANCE

Data reported in this Statement has been validated internally by the Management.

SUSTAINABILITY GOVERNANCE

CRG Group adopts a top-down approach in our sustainability governance to operationalise our sustainability strategy across all business functions. This approach facilitates goal-setting and reporting processes, strengthen relations with external stakeholders, and ensure overall accountability.

CRG Group's sustainability governance structure is depicted below:



SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

We regularly engage with a wide range of stakeholders to understand the environmental, social, and governance issues that are most important to the Group and our stakeholders. This moves the Group's sustainability management from an internal assumption to a shared, validated commitment.

Stakeholder	Areas of Interest	Method of Engagement
Employees 	- Fair employment practice - Training and career progression - Employee benefits and welfare - Occupational health and safety	- Performance reviews - Workplace meetings - One to one engagements - Intranet
Customers 	- Product quality - Timely delivery and Competitive pricing - Customer relationship management - Personal data protection	- Company website - Media/Social media announcements - Feedback sessions - Community and networking events
Suppliers, Bankers, Business Partners, and Service Providers 	- Fair procurement system - Business sustainability - Strategic partnership - Sustainable and ethical practices	- Regular meetings and correspondences - Project updates and meetings - Contract negotiations - Vendor registrations
Government, and Regulators 	- Compliance with applicable laws and regulations - Upholds corporate governance and best practices - Standards and certifications	- Consultation - Compliance and regulatory requirement reporting - Programmes and events organised by regulators or authorities
Shareholders, and Investors 	- Value creation and return on investment - Corporate governance, risk management and internal controls - Long-term sustainability - Ethical and responsible business practices	- Company website - General meetings - Corporate and media/social media announcements - Analyst meetings
Local Communities 	- Livelihood - Personal wellbeing	- Company website - Corporate and media/social media announcements - Corporate social responsibility events

SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABILITY MATTERS

Our sustainability initiatives focused on the following material matters that are most relevant to the Group's operations and our stakeholders' expectations, as analysed and categorised by our senior management:

Economic	Environment	Social	Governance
- Customer Satisfaction - Supply Chain Management	- Energy Management - Water	- Labour Practices and Standards - Diversity - Health and Safety - Community/Society	- Anti-Corruption - Data Privacy and Security

OUR SUSTAINABILITY MANAGEMENT

Customer Satisfaction

Customer satisfaction is a key consideration in our approach to sustainability. It goes hand in hand with product quality that builds trust, leading to positive reviews, repeat purchases, and brand loyalty. In CRG, we invest in better materials, technology, and quality control processes to uphold the quality of our products, aiming to provide our customers with products that meet their expectations in terms of style, functionality, and versatile designs.

We actively listen to our customers' feedback to identify opportunities for improvement and address issues before they escalate. This proactive approach helps us enhance our product quality, refine our services, and deliver experiences that truly resonate with our customers. In FY2025, we did not receive any major customer complaints, just like in FY2024 when the number was also zero.

Also, our market survey revealed that today's consumers are increasingly drawn to products that are both stylish and sustainable. Driven by innovation in materials and a shift in consumer values, we have introduced our new line of eco-conscious women's handbags, V-Earth Series, crafted using recycled materials. This launch reflects our commitment to sustainability without compromising on style and trendy.



SUSTAINABILITY STATEMENT

Supply Chain Management

We strive to maintain a balanced approach in our sourcing strategy by allocating spending across both local and international suppliers. This enables us to support domestic economic growth while leveraging global expertise and innovation. By diversifying our procurement, we ensure product quality, supply chain resilience, and long-term value for our stakeholders.

Our core products are sourced from trusted local and international suppliers who share our commitment to quality, craftsmanship, and ethical standards. We partner with reliable suppliers, and ensure that every product reflects functionality, style, and the values our customers expect.

To support local suppliers and empower small businesses, more than 80% of our office supplies, IT equipment and networking tools, furniture and comfort items were sourced locally during FY2025.

Prior to engaging any new suppliers, we conduct appropriate background check to gain an understanding on the counterparties' market reputation and business practices. Upon satisfaction of the background checks, we enter into agreements with the major suppliers wherein we share our Group's Anti-Bribery And Corruption Policy and Whistleblowing Policy with them and expect them to conduct their businesses in an honest and ethical manner.

Energy Management

Energy management is crucial for sustainability because it directly addresses the environmental and economic core of global sustainability challenges: reducing our carbon footprint and conserving finite natural resources.

Petrol and Diesel Consumption

Our logistics operations include delivering products from our warehouse to boutiques and counters, as well as fulfilling e-commerce orders directly to customers. We have reduced our reliance on company vehicles by transitioning to public delivery services, helping to minimise petrol and diesel consumption. This shift supports our sustainability goals by lowering carbon emissions, cutting fuel costs, and promoting more environmentally responsible logistics.

Electricity Consumption

Minimising electricity consumption is important for sustainability because most electricity generation still relies on fossil fuels (coal and natural gas) which is a major source of greenhouse gas emissions and pollution globally.

Thanks to our effective electricity-saving initiatives such as the use of energy-efficient equipment (i.e., LED light bulbs, energy-star labelled electronics, etc.) and switching off the lights and electronic appliances (i.e., air conditioners, computers, etc.) or put them in sleep mode when not in use in our HQ and warehouse, we have successfully maintained a minimum electricity consumption level for FY2025 demonstrating our commitment to operational efficiency and environmental responsibility.



Total energy consumption

FY2024:

218.43 Megawatt

FY2025:

210.96 Megawatt



While the transition to renewable energy is underway, we have taken proactive steps by installing solar panels at our warehouse. This initiative enables us to generate clean, renewable energy on-site, thereby reducing our reliance on grid electricity and lowering our carbon footprint.

SUSTAINABILITY STATEMENT

Water

Water is vital for both human health and the health of ecosystems. Conserving water is essential to ensure long-term access to clean water, protects ecosystems, and helps prevent future shortages and crises.

Although our Group is not a water-intensive user, we actively practice water-saving measures across our operations. Our efforts include installing water-efficient fixtures, monitoring usage, carry out routine maintenance and check for water leaks in our HQ and warehouse, and raising awareness among staff to ensure responsible water consumption.

During the FY2025, we experienced a significant increase in overall water consumption, primarily due to undetected leakages in the warehouse. These leakages occurred in concealed areas such as underground piping and behind walls, making early detection challenging. Upon identifying the issue, management promptly undertook corrective actions to repair the affected infrastructure and mitigate further wastage.



Total volume of water used

FY2024:

0.9 Megalitres

FY2025:

1.8 Megalitres

Labour Practices and Standards

Employees are our most valuable assets. Their dedication, talent, and collaboration are the driving force behind our organisation's growth and success. We are committed to fostering a supportive environment where every individual can thrive, contribute meaningfully, and grow alongside the Group.

Equal Employment and Career Development Opportunities

We offer equal employment opportunities to all individuals, regardless of gender, age, or background. Our hiring strategy prioritises the engagement of permanent local staff over contract or temporary roles to foster long-term job loyalty, enhance workforce stability, and encourage deeper employee engagement. By emphasising local employment, we contribute to domestic job creation, strengthen communities, and support broader regional development initiatives.

While the Group maintains a preference for engaging permanent staff to promote continuity and long-term development, we equally recognise and value the contributions of our part-time, contract, and temporary employees, particularly the sales promoters. Their flexibility and responsiveness have been vital in meeting the Group's dynamic operational requirements and enabling efficient workforce deployment, especially during peak seasons, specialised events, and promotional campaigns.

Career development within our Group is based on merit and performance. We recognise and reward individuals who demonstrate excellence, commitment, and growth potential, ensuring that advancement opportunities are earned through capability, contribution, and measurable results.



Percentage of employees that are contractors or temporary staff

FY2024:

25.4%

FY2025:

24.1%

SUSTAINABILITY STATEMENT

Training and Development

We believe that employee training and development are essential to enhancing skills, performance, and long-term career growth. We invest in continuous learning opportunities to empower our workforce, foster innovation, build leadership capabilities, and ensure our Group remains agile and competitive in a rapidly evolving landscape.

Comprehensive induction programmes are conducted for all new hires to ensure seamless integration into our organisational culture and operational processes. These programmes equip our employees with the knowledge, tools, and support needed to familiarise themselves with their roles and contribute effectively from day one.



Total hours of training by employee category

Employee Category	Total Training Hours	
	FY2024	FY2025
Managerial	616	464
Executive	331	132
Non-Executive	858	560
Grand Total	1,805	1,156

Key highlights of our training and development initiatives for FY2025 include:

- Leadership and Management Training
- Technical and Functional Skills Development
- Retail Excellence Training Programme



SUSTAINABILITY STATEMENT

Employee Benefits and Welfare

We reward our employees with competitive salaries, benefits, and welfare to support their wellbeing. Our goal is to ensure that our team feels valued and taken care of, both professionally and personally. By providing comprehensive compensation packages and access to various resources, we strive to create a positive and enriching work environment that promotes overall wellness. We understand that employee wellbeing is essential for productivity, satisfaction, and long-term success, which is why we prioritise taking care of our team members in every way possible.

Apart from it, we believe that a strong corporate culture is built not only through teamwork and performance, but also through shared moments of joy, appreciation, and social responsibility. Throughout the FY2025, a series of employee engagement activities has been curated that brought employees together and enhanced employee morale. Each of these events not only celebrated diversity but inclusiveness within our workforce. In other words, we celebrate not just occasions, but values, compassion and unity.



➡ Hari Raya Aidilfitri Celebration



➡ Chinese New Year Celebration



➡ Mid-Autumn Celebration with Ice Cream Station



SUSTAINABILITY STATEMENT



🔗 Christmas Celebration



🔗 Monthly Birthday Celebrations

Talent Attraction

In early FY2025, we successfully completed the “Innovate CARLO RINO-UPM UI/UX Competition 2024” entitled “Reengineering Fashion: Formulating The Revolutionary UI/UX” which we co-organised with University Putra Malaysia with the objective to attract emerging talent and promote creative thinking across our community. This competition provided a dynamic platform for individuals to showcase their skills, exchange ideas, and engage in innovative problem-solving. By fostering a culture of creativity and inclusion, we strengthen our talent pipeline and inspire fresh perspectives.

We sponsored RM50,000 to support the competition’s overall costs and prizes, and also participated in the award presentation ceremony, sharing the joyful moment with the competition winners and celebrating their achievements.



🔗 Award winners



Human and Labour Rights

We prohibit the use of child labor and labor trafficking, and firmly oppose all forms of forced or compulsory labor. We are equally committed to preventing abusive working environments by promoting dignity, fairness, and respect across all levels of our operations. Our practices align with international labor standards and reflect our dedication to human rights and ethical business conduct.



Number of substantiated complaints concerning human rights violations:

FY2024:
Zero

FY2025:
Zero

SUSTAINABILITY STATEMENT

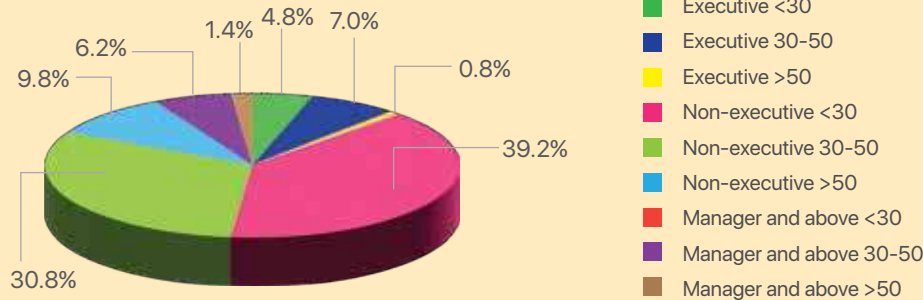
Diversity

We understand the importance of diversity in enriching our workplace environment. Embracing individuals from different backgrounds, age groups, genders, and experiences adds richness and depth to our team dynamics. It allows us to tap into a diverse pool of perspectives, ideas, and talents that ultimately enhance our creativity, innovation, and problem-solving capabilities. By valuing and celebrating our differences, we create a more inclusive and welcoming workplace where everyone feels respected, valued, and empowered to contribute their unique skills and insights.

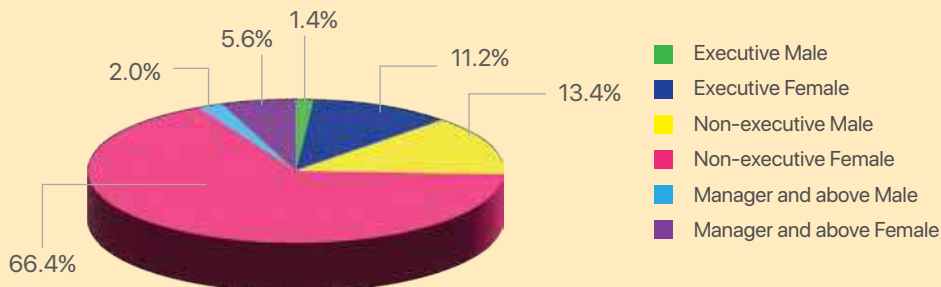
For the FY2025, our workforce and Board of Directors comprised individuals with diverse competencies, ages, and genders, reflecting our commitment to equitable opportunity and inclusive leadership.

Employees

>> Age Group by Employee Category

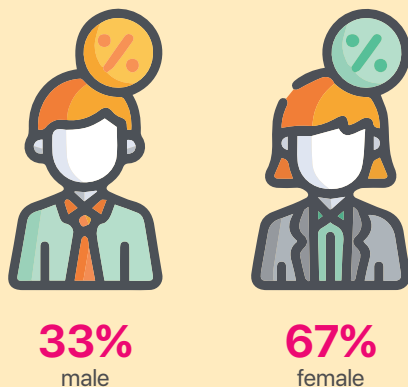


>> Gender Group by Employee Category

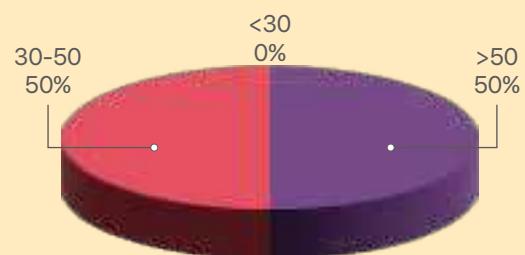


Board of Directors

>> Gender



>> Age



SUSTAINABILITY STATEMENT

Health and Safety

We are committed to maintaining a safe, healthy, and respectful work environment for all employees. Our occupational health and safety practices ensure physical and mental wellbeing, while our zero-tolerance policy on harassment protects every individual of our Group from discrimination, bullying, or misconduct.



Number of work-related serious injuries

FY2024:
Zero

FY2025:
Zero

First Aid Kits

First Aid Kits are strategically placed throughout our HQ and warehouse to ensure quick and easy access during emergencies. Each kit is stocked with essential supplies including bandages, antiseptic wipes, gauze pads, and gloves to provide immediate assistance to anyone in need.

Our staff are familiar with the exact locations of these kits to act swiftly and effectively in emergency situations. Early intervention can make a critical difference, and these kits serve as a vital resource until professional medical help arrives.



Fire Prevention

We install and maintain fire extinguishers in key locations of our HQ and warehouse, and ensure smoke detectors and fire alarms are functional and tested regularly. We adhere to our HQ landlord's fire prevention and evacuation schedule, ensuring all employees are thoroughly familiar with the building's emergency protocols and prepared to respond swiftly and safely in the event of a fire.



Nursing Room – Supporting Working Mothers

We care on the needs of new mothers returning to work, a dedicated nursing room has been made available in our HQ to provide a private, hygienic, comfortable space for new mothers expressing breast milk while at work. This initiative reflects our commitment to creating a family-friendly workplace and supporting female employees in balancing their career and motherhood.



SUSTAINABILITY STATEMENT

Snack Bars with Coffee Machine – Energizing the Day

To promote a vibrant and energized work environment, self-serve Snack Bars complete with coffee machines, light refreshments, and beverages are available for employees in HQ to recharge throughout the day. These cozy corners not only support productivity and mental alertness but also encourage casual interactions and a sense of community across departments.



Zero-Harassment Workplace

Every individual deserves to work in an environment free from intimidation, discrimination, or misconduct. In this regard, we prioritise respect, accountability, and inclusion in our workplace, and prevent all forms of harassment be it verbal, physical, sexual, psychological, or digital.

Community/Society

We believe in giving back to society by supporting initiatives rooted in love and care. Our commitment to making a positive impact is grounded in the belief that compassion and kindness can spark a ripple effect of meaningful change. Through purposeful partnerships, active community engagement, and responsible business practices, we aim to empower individuals, inspire others to pay it forward, and foster a culture of generosity. By channeling our resources into causes that embody empathy and inclusion, we strive to build a more compassionate and equitable society for all.

For the FY2025, the total amount invested in the community was approximately RM17,800.

Lovely visit and donation to Pusat Jagaan Rumah Kasih Nurul Hasanah



Lovely visit and donation to Kindly Orphan & Handicap Welfare Homes



SUSTAINABILITY STATEMENT

Anti-Corruption

We uphold the highest standards of integrity by practicing zero-tolerance for bribery and corruption. Our commitment to transparency and ethical conduct ensures a sustainable business environment that is fair, inclusive, and equitable for all our stakeholders.

We have established Anti-Bribery And Corruption Policy to promote and maintain compliance to the Malaysian Anti-Corruption Commission Act 2009. Our Whistleblowing Policy outlines clear reporting procedures and provides dedicated contact details for individuals to confidentially report grievances, misconduct, or unethical behavior.

All our employees receive regular training on anti-bribery and corruption. This empowers our team to recognise, prevent, and respond to unethical practices, reinforcing a culture of integrity across our organisation.



Confirmed incidents of corruption and action taken

FY2024:

Zero

FY2025:

Zero

Data Privacy and Security

Maintaining data privacy and security is an ongoing, multi-layered effort that involves technology, policy, and employee training. Guided by the CIA Triad: Confidentiality, Integrity, and Availability, we implement robust measures to safeguard the data of our customers, suppliers, employees, and other stakeholders. Our initiatives include strong access controls, encryption of sensitive information, regular system audits, and continuous education on cybersecurity best practices for our team.

We abide by the Personal Data Protection Act 2010, and continuously evaluate and enhance our data handling processes to ensure ongoing compliance and maintain the trust of our data owners.



Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

FY2024:

Zero

FY2025:

Zero

SUSTAINABILITY STATEMENT

OUR TARGETS FOR FY2026 AND BEYOND

Material Sustainability Matter	Target
Customer Satisfaction	Zero major complaint from customers
Supply Chain Management	Increase local spending within the Group's supply chain
Energy Management	Minimise electricity consumption
Water	Minimise water consumption
Labour Practices and Standards	• Increase training hours across all employees, and introduce new learning modules tailored to roles and career paths • Zero substantiated complaints concerning human rights violations
Diversity	Increase representation across gender, age, ethnicity, and background, and where possible, prioritise new hires come from underrepresented groups
Health and Safety	Zero work-related serious injury
Community/Society	Enhance community engagement and support initiatives
Anti-Corruption	Zero incident of corruption
Data Privacy and Security	Zero complaint concerning breaches of customer privacy and losses of customer data

CONCLUSION

This Statement not only documents our sustainability initiatives and performance but also sets the foundation for future progress. As global challenges evolve, so too will our strategies, emphasising resilience and adaptability. By embedding sustainability at the core of our operations, we aim to create lasting value for all stakeholders while contributing to a healthier planet and society.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Carlo Rino Group Berhad ("CRG" or "Company", and references to "CRG Group" or "Group" are to CRG and its subsidiaries) is pleased to present the Corporate Governance Overview Statement outlines the Group's main governance practices for the financial year ended 30 June 2025 ("FY2025").

This Statement shall be read together with the Corporate Governance Report of the Company which provides detailed substantiation on how the Company has applied the practices set out in the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("BMSB") and the Malaysian Code on Corporate Governance 2021 ("MCCG").

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Roles and responsibilities of the Board

The Board plays a pivotal role in providing oversight and strategic leadership for the Group, with growing emphasis on embedding sustainable practices across all aspects of the Group's operations. Its oversight responsibilities encompass monitoring financial performance, managing risks, and ensuring compliance with applicable laws and regulations. In its leadership capacity, the Board sets the strategic direction, promotes ethical conduct, and cultivates a resilient and values-driven corporate culture. In line with evolving stakeholder expectations and global standards, the Board is also committed to integrating sustainability into its decision-making processes. This includes addressing key Environmental, Social, and Governance ("ESG") considerations to drive long-term value creation, enhance stakeholder trust, and demonstrate a steadfast commitment to responsible corporate citizenship.

Chairman of the Board

The Board is led by Independent Non-Executive Chairman, Vincent Loh. He chairs Board meetings, fosters open and constructive dialogue among Directors, and represents the Group in its interactions with key stakeholders. Working closely with the Group Managing Director, the Chairman supports informed decision-making and provides strategic guidance. He also oversees the performance and effectiveness of the Board, ensuring that it functions cohesively and remains aligned with the Group's core values and long-term objectives.

Separation of roles of Chairman and Group Managing Director

In CRG, the positions of Independent Non-Executive Chairman and Group Managing Director are held by Vincent Loh and Dato' Sri Chiang Fong Yee, respectively. The Chairman is responsible for instilling good corporate governance practices and leading the Board in its collective oversight of management, whilst the Group Managing Director focusses on the business and day-to-day operations of the Group. This separation of roles, with clearly delineated responsibilities, fosters a robust system of checks and balances, and ensures that authority is appropriately distributed, promotes transparency, and strengthens accountability across the Group's leadership and decision-making processes.

Company Secretary

Our Company Secretary brings the requisite knowledge and professional experience to support the effective functioning of the Board and uphold the integrity of the Group's governance framework. Her role is multifaceted, encompassing compliance monitoring, corporate governance advisory, and administrative coordination.

Board charter and Board reserved matters

The Board operates within a framework defined by the Board Charter (available on the Company's website) to ensure clear roles, systematic governance, and accountability.

Significant corporate actions that may influence the Group's strategic direction, governance standards, or financial health are subject to rigorous scrutiny by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

Code of conduct and ethics, Anti-Bribery And Corruption Policy, and Whistleblowing Policy

The Board observes the “Company Director’s Code of Ethics” as prescribed by Suruhanjaya Syarikat Malaysia, which provides guidance on standards of conduct, prudent business practices, and ethical behavior expected of Directors. Management and employees of the Group are required to adhere to the Code of Business Conduct and Ethics and other ethical practices outlined in the Group’s Employee Handbook. These standards promote integrity, professionalism, and responsible behavior across all levels of the organization, fostering a trustworthy and respectful workplace culture.

The Group maintains a strict zero-tolerance policy on bribery in all forms. We believe in fostering a transparent environment where trust and accountability are paramount, ensuring fair dealings with all stakeholders, and we are committed to ethical practices and integrity in our operations. Our Anti-Bribery And Corruption Policy (available on the Company’s website) governs the prevention, detection, and response to bribery and corruption activities within the Group, outlining acceptable behaviors, reporting procedures, and disciplinary actions to ensure compliance with legal standards and promote ethical conduct. Any personnel found to be engaging in bribery or corrupt practices will face immediate disciplinary action, including termination of employment.

We monitor and address any ethical concerns or violations promptly and effectively. The Group’s Whistleblowing Policy (available on the Company’s website) was formulated to provide a structured and protected way for the Group’s employees and the public at large to report any unethical, illegal, or harmful activities within the Group without fear of retaliation.

Managing sustainability risks and opportunities

CRG has established a Sustainability Policy (available on the Company’s website) to provide guidance to our sustainability management and create awareness among the Group’s stakeholders of our commitment and strategic direction on sustainability.

We actively manage sustainability risks that encompass key ESG factors which may pose threats to the Group’s operations, reputation, or financial performance. These risks include climate change, resource scarcity, evolving regulatory requirements, and social inequalities. At the same time, these challenges present opportunities for innovation, cost efficiency, competitive advantage, and sustainable growth.

By integrating green initiatives into our products and operations, the Group proactively mitigates environmental impacts, enhances stakeholder relationships, and creates long-term value for both society and the planet.

II. Board Composition

Size and Composition of the Board

Our Board comprises 4 Independent Non-Executive Directors and 2 Executive Directors, each contributing distinct perspectives and specialised expertise. This diversity of thought and experience fosters well-rounded decision-making and enhances the effectiveness of the Group’s governance framework.

Collectively, the Directors bring a broad spectrum of skills across key areas including retailing, accounting, finance, legal, and corporate management. Their complementary strengths ensure that the Board is well-equipped to navigate complex challenges, evaluate strategic opportunities, and guide the Group towards sustainable growth and long-term value creation.

Independence

The Board views independence as a cornerstone of sound governance, reflecting its steadfast commitment to objective and equitable decision-making. To uphold this principle, the Board conducts annual independence assessments of its Independent Non-Executive Directors. These evaluations involve a comprehensive review of each Director’s personal and professional affiliations, financial dealings, and any potential conflicts of interest with the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Independence (continued)

This rigorous process ensures that Independent Directors continue to demonstrate impartiality, integrity, and freedom from undue influence. It reinforces the Group's commitment to transparency, accountability, and ethical leadership.

To uphold objectivity and promote Board renewal, the tenure of an Independent Non-Executive Director is limited to a maximum of 9 years. Upon completion of the 9 years, the Independent Director may continue to serve on the Board as a non-independent director. However, such Director may, upon recommendation of the Board with justification, seek shareholders' approval on his re-appointment as Independent Director through a two-tier voting process, subject but not limited to:

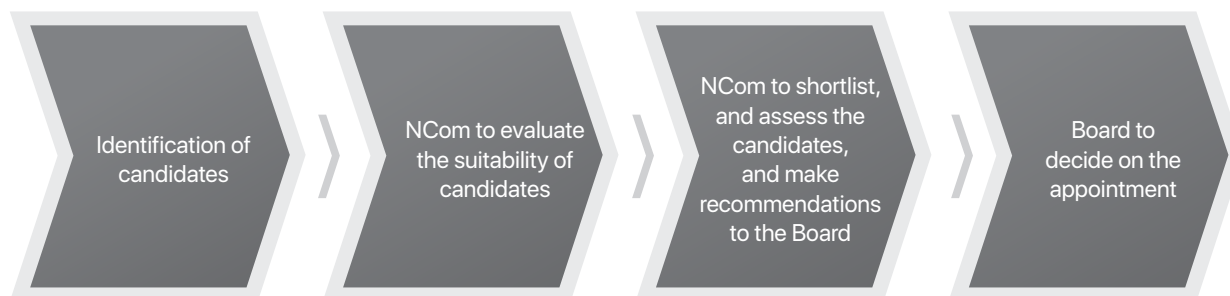
- he has met the independence guidelines as set out in the AMLR of BMSB;
- he is able to continue to bring independent and objective judgment to Board deliberations; and
- he does not have any conflict of interest with the Group and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies.

This process allows shareholders to evaluate the continued contribution, independence, and value of such Director, ensuring transparency and alignment with governance best practices.

Appointment, Election/Re-election of directors

When a director vacancy arises, the Nomination Committee ("NCom") assists the Board in identifying and evaluating suitable candidates. These candidates may be proposed by shareholders, Board members, or sourced through independent recruitment firms. The NCom assesses each candidate's leadership qualities, qualifications, experience, and competencies in accordance with the Directors' Fit and Proper Policy of the Company (available on the Company's website). Based on this evaluation, the NCom recommends the most appropriate individuals for appointment to the Board for consideration.

The hiring process entails the following steps:



The Board makes collective decisions in the appointment of Directors, with the aim of selecting individuals whose values, leadership style, and professional ethos align closely with the Group's strategic objectives and organisational culture.

According to the Company's Constitution, at least 1/3 of the Directors, including the Managing Director (if any), must retire by rotation every 3 years and are eligible for re-election at the AGM of the Company, while Directors appointed to fill casual vacancies must retire at the next AGM following his appointment and seek re-election by the shareholders of the Company.

The Board will recommend the re-election of retiring Directors to shareholders only upon achieving satisfactory outcomes in their performance assessments. These assessments are conducted by NCom in accordance with the criteria outlined in the Directors' Fit and Proper Policy of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Gender Diversity

We value the benefits that diversity brings to our Board and Management team. Diversity, encompassing, but not limited to, skills, experience, age, ethnicity, cultural background, and gender, promotes the inclusion of varied perspectives and ideas, mitigates the risk of groupthink, and enhances the quality of decision-making. By embracing a broad spectrum of talents and viewpoints, the Group is better positioned to respond to complex challenges, drive innovation, and achieve sustainable growth.

Pursuant to the Company's Gender Diversity Policy, the Board undertakes the following strategies to promote gender diversity at the Board and Management levels:

- recruits from a diverse pool of candidates for female Directors and Management teams;
- reviews succession plans to ensure an appropriate focus on gender diversity; and
- identify specific factors to take into account the recruitment and selection processes to encourage gender diversity.

Presently, 4 out of 6 of our Board members are female. Also, women hold more than 70% of the management positions in the Group.

Effectiveness of the Board, Board Committees, and each individual director, as well as the independence of Independent Directors

With the assistance of the NCom, the Board undertakes formal and objective performance evaluations annually, within 4 months following the close of each financial year. These evaluations assess the effectiveness of the Board as a whole, its Committees, and each individual Director.

As part of this process, a rigorous review of the independence of the Independent Non-Executive Directors is conducted to ensure continued impartiality and alignment with governance standards. These assessments are essential for identifying strengths, addressing areas for improvement, and reinforcing the Board's commitment to high performance, accountability, and ethical leadership.

Board Committees

To support effective governance and oversight, the Board has established the following committees, each operating under a clearly defined terms of reference approved by the Board:

- Audit & Risk Management Committee ("ACom")

Key duties: Oversees the integrity of the Group's financial reporting processes, examines related party transactions for transparency and fairness, evaluates the Group's risk management and mitigation strategies, assess the adequacy and effectiveness of the internal control system, and monitors adherence to legal and regulatory requirements.

- Nomination Committee ("NCom")

Key duties: Assists in director selection and appointment, overseas annual performance assessments of the Board, its Committees, and individual Directors, assess the independence of the Independent Directors, and monitor the Board composition and effectiveness.

Remark: The NCom does not assess its own performance to ensure objectivity and avoid potential bias. Instead, the Board undertakes a formal and impartial annual evaluation of the NCom's effectiveness in discharging its responsibilities, including Board composition determination, succession planning, and director nominations, within 4 months following the close of each financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Board Committees (continued)

To support effective governance and oversight, the Board has established the following committees, each operating under a clearly defined terms of reference approved by the Board: (continued)

- Remuneration Committee (“RCom”)

Key duties: Develops and reviews remuneration policies that govern compensation for Directors and C-Suite positions, proposes competitive and fair remuneration packages for Directors and C-Suite positions, and evaluates appropriate incentive plans for Directors and C-Suite positions.

These Board Committees serve as focused governance bodies that delve into complex and specialised issues requiring detailed attention and expertise.

The Chairperson of each Board Committee reports on the Committee’s meetings and activities at the next regularly scheduled meeting of the Directors. This reporting process enables the Board to evaluate and consider the matters discussed, ensuring transparency and informed decision-making. While Committees provide focused oversight and valuable recommendations, the ultimate responsibility for final decisions remains with the full Board, reinforcing collective accountability and sound governance.

The summary of activities undertaken by each Board Committee is detailed in their respective Committee Reports within this Annual Report.

Board Commitment

All Board members are committed to devoting sufficient time and attention to effectively discharge their fiduciary and oversight responsibilities. In line with this commitment, Directors are required to notify the Chairman of the Board prior to accepting any new directorship. This disclosure must include an indication of the expected time commitment for the proposed role. Such appointments must not result in any conflict of interest or compromise the Director’s ability to effectively discharge their duties to the Company. This approach ensures that Directors remain fully engaged, uphold their fiduciary responsibilities, and continue to align with the Group’s governance standards and strategic priorities.

The Directors convene meetings as and when necessary, in accordance with the provisions of the Company’s Constitution. Meetings are scheduled on dates determined by the Board and are duly notified to all members.

The following are the details of attendance of the Directors at all Board meetings held during FY2025:

Director	Attendance	Percentage
Vincent Loh	7/7	100%
Dato’ Sri Chiang Fong Yee	7/7	100%
Lee Chwee Kin ⁽¹⁾	2/2	100%
Chin Peck Li	7/7	100%
Lim Lay Ching	7/7	100%
Kam Sin Lin	7/7	100%

Note(s):

⁽¹⁾ Appointed as an Executive Director with effect from 01 January 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Supply of Information

Prior to each Board meeting, the Chairman sets the agenda and ensures that Directors are provided with comprehensive and high-quality meeting materials in a timely manner. This enables the Board to deliberate effectively and make informed decisions. Proposals tabled for consideration are supported by detailed management papers and presentations.

The Board's discussions, including any dissenting views, and decisions reached are recorded in the minutes of the meeting. All Directors observe strict governance protocols and abstain from participating in discussions or decision-making on matters in which they have an interest, in accordance with regulatory and ethical standards.

For urgent matters requiring immediate Board attention, decisions may be made via written resolutions to expedite the process while maintaining governance integrity.

The Directors have unrestricted access to all relevant information within the Group to support informed decision-making and effective oversight. They are also entitled to seek advice and services from the Company Secretary, Internal and External Auditors, and other independent professionals as and when needed in the discharge of their duties. Where necessary, such engagements may be undertaken at the Company's expense to ensure that the Directors are adequately supported in fulfilling their fiduciary and governance responsibilities.

Continuous Professional Development

Every newly appointed Director participates in a structured orientation program designed to familiarise them with their roles and responsibilities as a member of the Board. The program provides an overview of the Group's culture, business operations, financial performance, and key policies and procedures.

All members of the Board have successfully completed the Mandatory Accreditation Programme (MAP) Part I, and Part II: Leading for Impact, as prescribed by the AMLR.

During the FY2025, the Directors participated in various continuing education programmes aimed at enhancing their knowledge, skills, and effectiveness in discharging their fiduciary duties. These programmes covered a range of topics relevant to the Group's operations and governance landscape.

Director	Particulars of the training programmes
Vincent Loh	- ICAEW Ethics: From Theory to Practice - ICDM Boardroom Insights: Navigating Governance, Risk & Strategic Foresight - ICAEW Critical Skills: Boost Excel efficiency with expert shortcuts & automation - ICAEW AI Emergence: Exploring groundbreaking advancements and market disruptions
Dato' Sri Chiang Fong Yee	- Lead to Excellence: Principles, People, Performance 2025 Canton Fair
Lee Chwee Kin	- Baker Tilly Tax and Budget Webinar - E-Invoice Implementation: Comprehensive Analysis On e-Invoice Preparation for All Businesses - Bursa PLCs IR4U Series 2 - Shariah Series: Latest Updates in Shariah Screening Methodology for Securities Listed in Bursa Malaysia - Lead to Excellence: Principles, People, Performance - Webinar: Employment Contract Stamping Compliance-Legal Obligations & Employer Risk (Event by Malaysia HR Forum) - Deloitte Webinar: SST Expansion and Impact on Businesses - PwC's Indirect Tax Webinar: Exploring the expanded scope of Sales Tax and Service Tax

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Continuous Professional Development (continued)

Director	Particulars of the training programmes
Chin Peck Li	• Evolving Regulatory Landscape • Update and Progress in E-invoice • SSM National Conference 2024 • Sem Percukaian Kebangsaan 2024 • 2025 Budget Seminar • E-invoice implementation • Joint ventures, Shareholder agreement, Conflict of interest situations • Impact on new transfer pricing • Critical tax issue in Malaysia • Company constitution
Lim Lay Ching	• Managing A Firm, Finance and Partnerships (Legal Career & Work Life Balance) • Malaysian Bar Budget Conference • Recent Amendments to the Personal Data Protection Act 2010 & How It Impacts Personal Data Management, Security and Transfers • Updates on E-Invoicing and Recent Developments in Tax
Kam Sin Lin	• ICDM Board Interview Tips & Profiling • Discover Your Resilience: Coping Skills and Strategies • Building and Strengthening Your Directorship Competency with Aspiring Directors Immersion Programme (ADIP®)

The Directors and the Company Secretary undertake ongoing self-assessments to identify their individual training and development needs. Based on these assessments, they engage in targeted learning activities to strengthen their competencies and enhance their effectiveness in fulfilling corporate responsibilities.

III. Remuneration

Remuneration Policies and Procedures for the Board and C-Suite positions

The remuneration packages of the Executive Directors and C-Suite positions (if any) are structured to reflect the scope of their duties and responsibilities, and are benchmarked against market standards to ensure competitiveness. The Group adopts the principle of “pay for performance,” aligning compensation with individual and corporate achievements to drive accountability and long-term value creation.

Performance-based incentives are incorporated to reward the attainment of strategic objectives and operational targets, thereby promoting sustainable growth and the continued success of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

III. Remuneration (continued)

Remuneration Policies and Procedures for the Board and C-Suite positions (continued)

Performance is assessed annually, and measured based on the annual Key Performance Indicators ("KPIs") (both qualitative and quantitative KPIs) of the Executive Directors and the C-Suite positions (if any). The weightage of the qualitative and quantitative targets may be adjusted to accommodate the Company's aspirations.

Nature	Examples
Quantitative	Profit Before Tax, revenue growth or relative performance of the Company/Group
Qualitative	Building and maintaining of a strong management team, fulfilment of directive and strategies set by the Board or timeliness, quality and meeting financial reporting deadlines

In the case of Non-Executive Directors, the guiding principles is to establish a remuneration structure that commensurate with the contribution and level of responsibilities undertaken by a particular Non-Executive Director, which shall be fair and reasonable.

Shareholders' approval

Pursuant to Section 230(1) of the Companies Act 2016 ("CA2016"), the fees of the directors, and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a listed company and its subsidiaries, shall be approved at a general meeting. Suruhanjaya Syarikat Malaysia further clarified that "benefits" as prescribed in Section 230(1) of the CA2016 that requires shareholders' approval are those benefits that are arose from the appointment to the office of a director. Accordingly, the proposed fees and benefits payable to the Directors of the Company for the FY2026 shall be tabled at the forthcoming AGM for the consideration of the shareholders.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit & Risk Management Committee

The ACom is well-positioned to rigorously challenge and scrutinise matters related to financial reporting, internal controls, risk management and internal controls, conflict of interest, related party transactions, and report its findings or recommendations for the consideration of the Board.

All members of the ACom are Independent Non-Executive Directors who are financially literate, professionally competent, and capable of understanding matters within the ACom's purview.

To preserve objectivity and align with best practices in corporate governance, the Chairman of the Board does not serve as a member of the ACom.

II. Risk Management and Internal Control Framework

Proper risk management and internal control are fundamental pillars of the Group's governance, management, and operational framework. The Group's risk management approach focuses on identifying potential threats and opportunities, while internal control mechanisms are designed to mitigate risks and leverage opportunities. Together, these elements enable the Group to make informed decisions regarding acceptable risk levels and implement effective controls to achieve its strategic objectives.

The Group integrates robust governance structures with performance-driven risk management and internal control practices across all levels and operations. This alignment fosters resilience, enhances accountability, and supports the sustainable growth of the Group.

The Board holds ultimate responsibility for overseeing the Group's risk management and internal control systems. It is entrusted with setting appropriate policies, monitoring their implementation, and obtaining assurance that these systems operate effectively. Additionally, the Board ensures that internal control practices are embedded within the Group's culture and are capable of managing risks in alignment with strategic objectives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I. Communication with Stakeholders

The Group adopts a structured and principled approach to the determination and dissemination of material information, in compliance with the disclosure requirements prescribed by BMSB and other relevant regulatory authorities. All material information is disclosed accurately, promptly, and transparently through multiple open channels including media conferences, press releases, the Company's website, corporate reports, circulars, and regulatory announcements to ensure shareholders, investors, and stakeholders are equipped to make informed decisions.

Sensitive information is handled with strict confidentiality where premature disclosure may be detrimental to the Group's interests or potentially mislead the market. Such information is safeguarded until it is appropriate for public release, in accordance with the Corporate Disclosure Guide issued by BMSB.

The Company has established clear protocols for responding to market rumours and speculation. Where necessary, the Company will promptly clarify or confirm any inaccurate or misleading material information to preserve market integrity and uphold investor confidence.

II. Conduct of General Meetings

General Meetings serve as a vital platform for shareholder communication and remain the principal forum for dialogue between the Company and our shareholders. At these meetings, shareholders, their appointed proxies, or authorised corporate representatives are given direct access to the Board and senior management, with the opportunity to raise questions, seek clarification, and discuss the proposed resolutions as well as the Group's business and operations.

In accordance with Rule 8.31A of the AMLR, all resolutions set out in the notice of general meetings are voted by poll, based on the principle of "one share, one vote". To uphold transparency and integrity, the Company appoints at least 1 independent scrutineer to validate the poll results. This mandatory poll voting mechanism ensures fair and effective representation of shareholders.

Poll results are announced at the respective general meetings and made available on the Company's website and through announcements to BMSB at www.bursamalaysia.com.

To facilitate meaningful participation, especially for outstation and overseas shareholders, the Company observes an extended notice period of 28 days or more prior to the AGM. All Directors of the Company shall attend the Company's AGM and are committed to providing clear and constructive responses to questions raised by shareholders, proxies, or authorised representatives.

CONCLUSION

The Board is satisfied that the Company has substantially complied with the Principles and Recommendations of the AMLR and the MCCG throughout the FY2025. Where specific Practices of the MCCG were not adopted during the year under review, the Company has provided clear and reasoned explanations for such departures in the Corporate Governance Report, in accordance with the prescribed disclosure requirements.

The Board remains committed to upholding high standards of corporate governance and continues to promote integrity, transparency, and accountability across all levels of the Company's operations.

This Statement was approved by the Board of CRG on 10 October 2025.

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

The Board of Directors ("Board") of Carlo Rino Group Berhad ("CRG" or "Company", and references to "CRG Group" or "Group" are to CRG and its subsidiaries) is pleased to present the Report of the Audit & Risk Management Committee ("ACom") for the financial year ended 30 June 2025 ("FY2025").

THE ACOM

The ACom is tasked to support the Board in overseeing the Group's financial reporting process, reviewing the adequacy and effectiveness of internal controls and risk management systems, monitoring the independence and performance of the external auditors, assessing the effectiveness of internal audit function, and ensuring the Group's compliance with legal and regulatory requirements. The ACom also plays a crucial role in investigating any financial irregularities and ensuring transparency and integrity in financial disclosures, thereby enhancing stakeholder confidence in the Group's financial health and governance practices. At the expense of the Group, the ACom operates under its Terms of Reference that has been approved by the Board and as posted on the Company's website.

Established as an oversight committee, the ACom consists of 3 Independent Non-Executive Directors with diverse experience in finance, compliance, risk management, and sustainability, and works independently and objectively from management influence. The Chairperson of the ACom, Chin Peck Li, is a Chartered Accountant of the Malaysian Institute of Accountants. All ACom members are financially literate, competent and are able to understand matters under the purview of the ACom including the financial reporting process. The ACom members undertake continuous professional development to ensure that they possess the latest knowledge and skills to address the industry-specific challenges and changing issues facing by the Group.

The ACom members met 3 times since the Company successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("BMSB") on 18 December 2024 up to the end of the FY2025, with the following record of attendance:

	No. of meetings attended/held
Chairperson: Chin Peck Li	3/3
Member: Lim Lay Ching	3/3
Member: Kam Sin Lin	3/3

Executive Directors, senior or middle management, and representatives from the Internal Auditors and/or External Auditors were invited to the ACom meetings to assist the ACom's consideration of reports, and to answer questions or concerns raised by its members.

The ACom Chairperson reported on key issues discussed, relevant findings and/or recommendations at each meeting to the Board for their further considerations and deliberations.

During the FY2025, the ACom received full support from the Board members, Company Secretary, Internal Auditors, and External Auditors as well as the staff of the Group in discharging its duties and responsibilities.

SUMMARY OF WORK

- Reviewed the financial data and reports as presented in the Company's Prospectus dated 28 November 2024.
- Reviewed the Group's quarterly, and annual financial reports and their relevant announcements to BMSB to ensure integrity, transparency and consistency of the financial disclosures.
- Reviewed and endorsed the adoption of appropriate accounting standards and policies, Management's judgements and estimates, and assessed the ability to continue as a going concern of the Company and its subsidiaries.
- Reviewed, with both the External Auditors and the Management, the Audit Planning for FY2025, audit approach and methodology applied, in particular to the Key Audit Matters being included in the Auditors' Report.
- Reviewed the effectiveness of the external audit process, resources and audit fees incurred for completion.
- Recommended the appointment of the Internal Auditors, and endorsed the relevant Internal Audit Charter and fees quoted.
- Reviewed, with the Internal Auditors and the Management, the Internal Audit Plan for the FY2025 and FY2026, and the audit approach and methodology applied.

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

SUMMARY OF WORK (continued)

- Reviewed, with the Internal Auditors and the Management, the reports on the internal control activities, and the action plan progress follow up report in relation to the enhancement of the state of internal control within the Group.
- Reviewed the significant issues highlighted by the External Auditors and/or the Internal Auditors together with the Management's response to their recommendations, and the follow-up remedial actions and improvement plans.
- Reviewed the adequacy and effectiveness of the Group's risk management and internal control systems.
- Reviewed the related party transactions (either one-off or recurrent) within the Group, and ensured that such transactions were carried out on an arm's length basis and based on normal commercial terms which were not more favourable to the related parties and were not to the detriment to CRG's minority shareholders, and were in compliance with the applicable regulatory requirements.
- Reviewed and confirmed that there was no conflict-of-interest situation arose or persist, and there was also no transaction, procedure or course of conduct that could raise questions of management integrity within the Group.
- Reviewed and monitored the relationship with the External Auditors, including overseeing its independence, remuneration, tenure, rotation of the engagement partner and engagement for non-audit services, and recommended for the re-appointment of the External Auditors for the FY2026.
- Reviewed the Annual Report FY2025 of the Company.

In early October 2025, the ACom organised a private discussion with the External Auditors in the absence of the Executive Directors, Management, and Company Secretary. All the Non-Executive Directors joined the session and reviewed the key issues for the FY2025 within their sphere of interest and responsibilities.

THE INTERNAL AUDIT FUNCTION

The Group's internal audit function has been outsourced and carried out by an independent professional firm, M/s NeedsBridge Advisory Sdn. Bhd. ("NBSB") who has the necessary resources, standing, experience and competency to provide checks and objective assurance on the Group's risk management, governance, and internal control.

NBSB reports directly to the ACom. It conducts regular fieldwork to assess the effectiveness of the Group's internal controls and risk management activities. This process involves gathering evidence through interviews, direct observations, document reviews, and transaction testing. Thereafter, NBSB recommends corrective actions to address the identified deficiencies or risks within the Group's control or compliance measures, with the objective to improve the efficiency and effectiveness of the risk management and internal control system, and to prevent future non-compliance. These recommendations typically include specific, actionable steps for Management to implement, along with timelines and responsible parties, to enhance the overall governance and operational effectiveness of the Group.

Pursuant to the agreed Internal Audit Plan, NBSB had completed an audit cycle and presented its findings and recommendations to the ACom for review and deliberation. The fee incurred for the FY2025 in relation to the internal audit function is RM16,000.

The ACom also decided that the performance evaluation for NBSB who was appointed in February 2025 be deferred until next year. This deferment will allow sufficient time for NBSB to fully execute their tasks and perform effectively before undergoing a formal assessment.

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

THE EXTERNAL AUDITORS

During the 14th AGM of the Company held on 04 December 2024, M/s BDO Plt ("BDO") was re-appointed as the External Auditors of the Company for the FY2025 at the remuneration to be fixed by the Board.

The ACom maintains a close yet professional relationship with the External Auditors to ensure independent, thorough, and objective financial oversight, and to facilitate open communication regarding audit plans, processes, findings, and any material issues within the Group encountered by the External Auditors.

The ACom also monitors the quality and effectiveness of the audit services of the External Auditors by focusing on –

- **Independence and objectivity**
Throughout the audit for FY2025, the External Auditors had complied with the independence requirements of the MIA By-Laws (On Professional Ethics, Conduct and Practice). The independence of all its personnel engaged in the Group's audit also confirmed via their independence declarations provided to BDO.

The Engagement Audit Partner for the Group's audit for FY2025, Law Kian Huat had informed the ACom that BDO is seeking for its re-appointment at the forthcoming 15th AGM, and he will continue his role should this re-appointment be approved by the shareholders of the Company.

- **Effectiveness of audit**
The ACom solicited feedbacks from the Executive Directors and the Management pertaining to the effectiveness of the External Auditors, judging from the External Auditors' expertise, comprehensiveness of their audit processes, state of transparency and communication, and the quality controls of the audit deliverables.
- **Audit and Non-Audit Fees**
The ACom had considered the fees proposed by the External Auditors in relation to the statutory audit for FY2025 and concluded that such fees were fair, reasonable, and justifiable.

Apart from the statutory audit work, the External Auditors were engaged to provide certain non-audit services to the Group. The ACom had examined these non-audit services prior to the engagements and was of the view that the provision of such non-audit services which did not involve any self-review or a conflict of interest, would not impair the independence and objectivity of the External Auditors in their audit judgments.

The audit and non-audit fees incurred for the FY2025 are as follows:

Fees incurred	Audit Fee (RM'000)	Non-Audit Fee (RM'000)
The Company	32	66
The subsidiaries of the Company	96	25
Total:	128	91

A performance evaluation on the External Auditors was conducted in early of October 2025, and the ACom is satisfied with the assessment outcome and had recommended to the Board for the re-appointment of BDO. The Board had endorsed this proposal and a resolution pertaining to such re-appointment will be put to the shareholders for consideration at the 15th AGM of the Company.

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

RECURRENT RELATED PARTIES TRANSACTIONS OF REVENUE OR TRADING NATURE ("RRPT")

The following are the RRPT transacted by the Group during the FY2025:

RRPT No.	Transacting party	Nature of transaction	Aggregate value transacted as at the end of FY2025 (RM'000)
1.	Bonia International Holdings Pte Ltd ("BIH")	Fees paid and payable by the Group to BIH (related party) under a licensing agreement for the trademarks rights granted	166
2.	Pasti Anggun Sdn. Bhd. ("PASB")	Rental fees (comprising base rent and service charge) paid and payable by CRV Sdn. Bhd. ("CRV") (a wholly-owned subsidiary of the Company) (tenant) to PASB (non-related contractual landlord) for the tenancy of the Group's head office located at 2nd Floor, Ikon Connaught, Lot 160, Jalan Cerdas, Taman Connaught, 56000 Kuala Lumpur in accordance with the tenancy agreement entered into between PASB and CRV of which the ultimate ownership of the said units occupied by CRV belongs to Purnama Sejahtera Sdn. Bhd. (related party) where a substantial shareholder of the Company has interest	729
Total:			895

The total value of the RRPT for FY2025 of RM894,667 is 0.56% of the net assets of CRG Group as recorded in the Audited Financial Statements FY2025 of CRG.

The ACom had examined the RRPT and concluded that they were carried out on an arm's length basis and based on normal commercial terms which were not more favourable to the related parties and were not to the detriment to CRG's minority shareholders, and were in compliance with the applicable regulatory requirements.

CONCLUSION

The Board is pleased with the performance of the ACom, recognising its objectivity and diligent oversight of financial reporting, risk management, and internal controls, which align with its duties and responsibilities to ensure transparency, accountability, and compliance within the Group. The Board also appreciates the positive impact the ACom has had on our Group's governance.

This Report was approved by the Board of CRG on 10 October 2025.

REPORT OF THE NOMINATION COMMITTEE (“NCOM”) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (“FY2025”)

Membership

Chairperson:	Kam Sin Lin Independent Non-Executive Director
Member:	Lim Lay Ching Independent Non-Executive Director
Member:	Chin Peck Li Independent Non-Executive Director

Terms of Reference

The NCom operates in accordance with its Terms of Reference (available on the Company’s website), which outline its scope, authority, responsibilities, and procedures.

Summary of Work

- Assessed based on the criteria set out in the Directors’ Fit and Proper Policy of the Company, and recommended the appointment of Lee Chwee Kin as an Executive Director of the Company, for the consideration of the Board.
- Conducted performance assessments of: (i) the Board as a whole, (ii) the RCom, and ACom of the Board, and (iii) the individual Directors of the Company.
- Assessed the independence of the Independent Non-Executive Directors of the Company.
- Reviewed the retiring Directors for re-election at the forthcoming 15th AGM of the Company.
- Reviewed the declarations of interest/potential conflict of interest from all the Directors of the Company.

REPORT OF THE REMUNERATION COMMITTEE (“RCOM”) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (“FY2025”)

Membership

Chairperson:	Lim Lay Ching Independent Non-Executive Director
Member:	Kam Sin Lin Independent Non-Executive Director
Member:	Chin Peck Li Independent Non-Executive Director

Terms of Reference

The RCom operates in accordance with its Terms of Reference (available on the Company’s website), which outline its scope, authority, responsibilities, and procedures.

Summary of Work

- Reviewed and recommended the remuneration package of the Executive Directors of the Company, for the consideration of the Board.
- Reviewed and proposed the Directors’ fees of the Company and its subsidiaries for the financial year ending 30 June 2026, for the consideration of the Board.
- Reviewed and proposed the Directors’ benefits of the Company between the Company’s AGM 2025 and 2026, for the consideration of the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of Carlo Rino Group Berhad ("CRG" or "Company", and references to "CRG Group" or "Group" are to CRG and its subsidiaries) is pleased to present the Statement on Risk Management and Internal Control which outlines the main features of the Group's risk management and internal control for the financial year ended 30 June 2025 ("FY2025") prepared pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("BMSB") and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("SRMIC Guidelines").

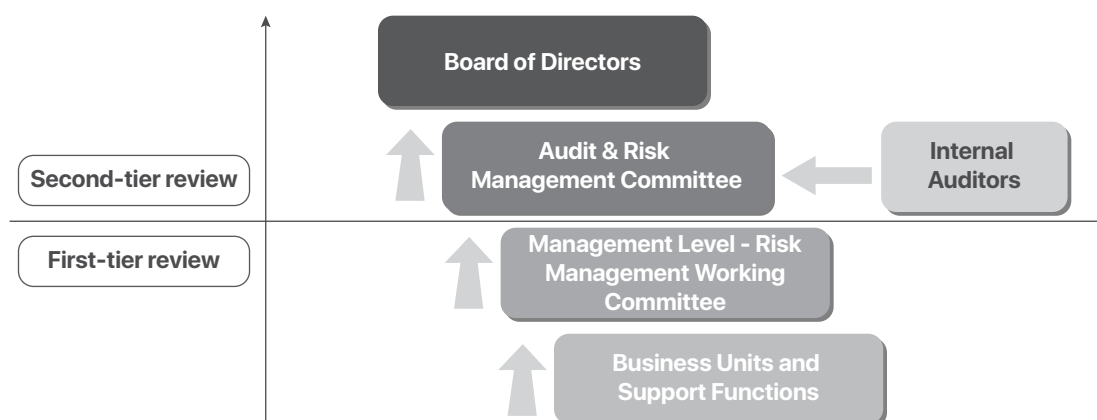
RESPONSIBILITIES OF THE BOARD

The Board recognises that all areas of the activities undertaken by the Group carry an element of risk, and the efficient and effective management of risks is vital to deliver the Group's strategic objectives. However, risk management does not mean operating in a completely risk-free environment which is not realistic. Instead, the Board strikes a balance between taking acceptable level of risks that drives innovation and growth, while also safeguarding the business of the Group from potential threats or failures.

In our Group, managing risk, and implementing a sound internal control throughout the organisation are the responsibilities of everyone. The Board and the Management ensure that risk management and internal control are embedded in our business processes and there are being practiced and made part of the culture of our Group. The embedding should cover all areas of management from strategic to operational level so as to enable the personnel of the Group to take into account risks and its impact to the Group in their business decision-making. A comprehensive internal control system includes strategic, operational, reporting, and compliance controls is in place and regularly being tested to enhance the efficiency and effectiveness of the practices, processes and procedures formulated to address the current and emerging risks of the Group. Prompt development and implementation of corrective actions or plans such as enhancing management oversight, promoting an ethical culture, or using technology to improve processes is essential to manage significant control deficiencies or weaknesses highlighted by the Management, Internal Auditors and/or External Auditors.

RISK GOVERNANCE STRUCTURE

The Group's risk governance structure, illustrates the roles and responsibilities of risk management practices across the Group is depicted below:



Board of Directors

The Board sets business objectives for the Group, establishes risk profiles, determines and adjusts risk appetite and tolerance levels, ensures appropriate policies and procedures are in place to manage those significant risks within the Group, performs regular checks on the health of the Group's risk management, internal control and governance systems, and seeks continuous improvement to close gaps and/or mitigate deficiencies

Audit & Risk Management Committee ("ACom")

The ACom is composed of Independent Directors of CRG. It conducts second-tier risk management assessments, review internal control processes and evaluate the adequacy and integrity of the risk management, internal control and governance systems of the Group independently on a regular basis, and reports to the Board of CRG for further evaluations and actions

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Auditors

The Internal Auditors is an independent function that reports directly to the ACom, and thereafter to the Board. It performs internal audit on various activities within the Group based on the Internal Audit Plan approved by the ACom by adopting risk-based methodology, recommends the best practices to enhance the quality of the risk management, internal control and governance systems of the Group, and provide reasonable assurance to the ACom on the efficiency and effectiveness of such systems

Management Level-Risk Management Working Committee ("RMC")

RMC comprises Executive Directors of CRG with the other members who should have in-depth knowledge of the operation and/or financial aspects of risk management and internal control being selected from the Management Team to resolve the major day-to-day risk management and internal control issues duly reported by the Business Units and Support Functions. RMC also undertakes the first-tier review on the efficiency and effectiveness of the Group's risk management and internal control processes on a regular basis with issues that require the attention of the Board be communicated to the ACom for further deliberations

Business Units and Support Functions

Business Units and Support Functions are tasked to implement the policies and procedures on risk management and internal control sanctioned by the Board. Major day-to-day risk management and internal control issues shall be communicated to the RMC for evaluations and actions

RISK MANAGEMENT AND INTERNAL CONTROL APPROACH

Our risk management and internal control approach are consistent with the recommendations made by the –

- Enterprise Risk Management: Integrating with Strategy and Performance (2017), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO); and
- Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers,

that involve the identification, assessment and management of risks, as well as the formalisation and implementation of effective and efficient control processes to provide reasonable assurance regarding the achievement of the Group's objectives and to enhance our performance at all levels of our activities.

COSO Enterprise Risk Management



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OUR RISK MANAGEMENT

We are guided by the following risk management and control processes in identifying, assessing, responding, controlling, communicating and monitoring of risks on an ongoing basis:



Events Identification

All existing and potential events affecting the achievement of the Group's objectives must be identified, distinguishing between risks and opportunities. Opportunities are channeled back to management's strategy or objective-setting processes

Risks Assessment

Identified risks are analysed to form a basis for determining how they should be managed, and are assessed on an inherent and a residual basis using qualitative techniques followed by more quantitative analysis of the most important risks through risk matrix analysis

Impact	Risk Management Actions		
<i>Significant</i>	Considerable management required	Must manage and monitor risks	Extensive management essential
<i>Moderate</i>	Risks may be worth accepting with monitoring	Management effort worthwhile	Management effort required
<i>Minor</i>	Accept risks	Accept, but monitor risks	Manage and monitor risks
	<i>Low</i>	<i>Medium</i>	<i>High</i>
	Likelihood		

Risks Response

The risk management strategy to response to risks can be: avoiding, accepting, reducing, sharing, transferring, monitoring and/or controlling the risks, and involves developing a set of actions to align risks with the Group's risk tolerances and risk appetite

Control Activities

Control activities through policies and procedures that contribute to the mitigation of risks to the achievement of objectives to acceptable levels, shall be developed and deployed on a timely and appropriate manner

Information & Communication

Relevant information shall be communicated in a form and timeframe that enables all people within the Group to carry out their responsibilities. Effective communication also occurs in a broader sense, flowing down, across and up the Group so to ensure personnel receive clear communications regarding their roles and responsibilities in risk management and internal control processes

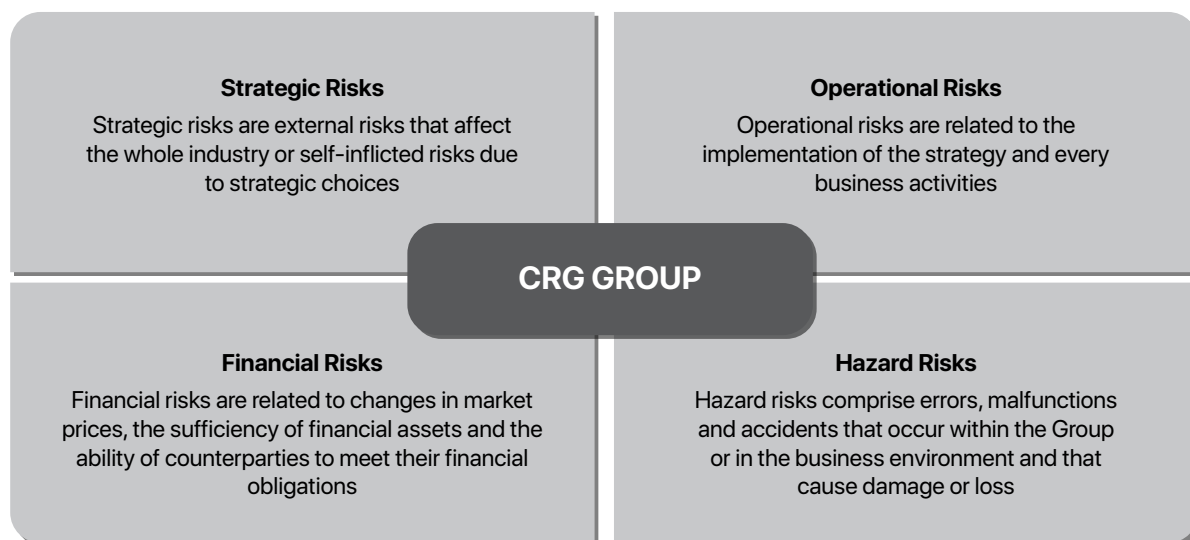
Monitoring

The risk management and internal control processes shall be closely monitored, and modifications be made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY RISKS OF THE GROUP

CRG defines risk as external or internal uncertainty that may affect the Group in the execution of our strategy, achievement of our goals or continuity of our businesses. Risks may be caused by events within the Group, or by external environment. These risks are broadly categorised into 4 categories: strategic risks, operational risks, hazard risks and financial risks.



The Group adopts a bottom-up approach to risk management, empowering business units and support functions to take ownership of risks within their respective domains. This decentralised model embeds risk identification and mitigation into daily operations, fostering a proactive risk culture across the organisation.

Heads of business units and support functions act as risk owners, leveraging their operational expertise to swiftly identify, assess, and address risks at their source. Each unit is responsible for implementing tailored mitigation strategies and control measures to ensure risks are effectively managed.

A centralised risk register is maintained and updated regularly, serving as a repository of known risks with clearly assigned ownership. This enables effective tracking of mitigation efforts and promotes accountability. Major risks are reported to senior management on a regular basis, ensuring transparency and facilitating timely intervention.

Consolidated risk inputs from across the Group provide senior management with a panoramic view of the Group's risk landscape. The RMC compiles and analyse such risk data, presents key exposures, control effectiveness, and mitigation actions to the ACom for further evaluation.

The ACom convenes quarterly to deliberate on key risks, assess emerging trends, and ensure alignment of risk responses with the Group's strategic objectives. Following each meeting, the ACom Chairperson provides a formal update to the Board, escalating matters related to internal controls and significant risks for deliberation or notation by the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OUR INTERNAL CONTROLS

CRG's internal control system is built on policies, practices, processes and procedures designed to mitigate risks and to provide reasonable assurance to the stakeholders that the Group is able to achieve its objectives in a controlled, reliable, and compliant manner, despite the inherent uncertainties it faces. The key internal control activities of the Group include:

■ Preventive Internal Control Activities

1. Segregation of Duties

This involves division of responsibilities among multiple employees to minimise the risk of errors or inappropriate actions, and to reduce the potential to commit fraud. A clearly defined management reporting structure is in place to ensure accountability and to facilitate effective communication and collaboration across business units.

2. Authorisation and Approvals

All significant transactions be authorised and approved by appropriate person(s) in accordance with the Limit of Authority set by the Board (ie. the approver has the authority to do so and the skills and knowledge to make informed decisions on behalf of the Group) to assure that transactions are appropriate and aligned with the Group's goals. The Limit of Authority established clear boundaries on who can make decisions and authorise actions to prevent potential misuse of power by individuals who might otherwise made decisions without proper oversight or justification.

3. Verification, Reconciliation, Reviews, and Documentation

Specific people be designated to review and verify critical transactions and financial figures to confirm accuracy and completeness. A thorough and timely documentation for all transactions be maintained to provide a detailed trail of activities within the Group, and to facilitate audits, investigations, and decision-making processes.

4. Security: Access to information and assets

This is to limit the access of information and assets considered business-critical for the Group by appropriate person(s) to mitigate the risks of misuse or misplace.

The Group's IT General Controls covers: (i) Access Controls (user IDs, passwords, permissions), (ii) Program Change Controls (testing, approval, migration to production), (iii) System Development Controls (requirements, testing, user acceptance), and (iv) Computer Operations Controls (backups, disaster recovery plans, job scheduling) to ensure data privacy, and to mitigate data leakage or loss of data.

Physical assets are tagged and tracked to prevent unauthorised usage or disposal/removal of assets as well as to protect the Group's assets from theft, loss, misuse, or damage.

■ Detective Internal Control Activities

1. Reconciliation

Reconciliations will be performed to cross-check transactions and to confirm that the information reported is accurate and up-to-date.

2. Performance Reviews

We undertake regular organisational performance reviews to assess our performance based on specific parameters. Management review of performance reports, budget vs actuals, exception reports, and key metrics are constantly carried out to allow for quick identification of variances, resources shortages or cost overruns.

3. Internal Audits

Together with our Internal Auditors, we test the effectiveness of our internal controls, and where applicable, strengthen these controls by taking into consideration the suggestions or recommendations from the Group's Internal Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OUR INTERNAL CONTROLS (continued)

Effective internal controls are not static, they require continuous evaluation, improvement, and adaptation to changing risks and business environments. This is a shared responsibility across all levels of our Group. Regular on-job trainings are provided to the Group's personnel to ensure that they understand and adhere to the policies, practices, processes and procedures set to enhance the quality of the internal control measures, and the ethical expectations in discharging their duties and responsibilities.

ASSURANCE AND COMMITMENT

In line with the SRMIC Guidelines, the Group Managing Director and Executive Director have provided assurance to the Board that the Group's risk management and internal control have been and are operated adequately and effectively, in all material aspects, to safeguard the shareholders' investment and the Group's assets.

Taking into consideration the assurance from the Management, and based on its regular evaluation on the risk management and internal control system of the Group, the Board concluded that the continuous processes to identify, evaluate and manage the key risks within the Group as well as the internal controls in place for the FY2025 and up to the date of issuance of this Statement, is generally sound and adequate to meet the Group's business objectives, and has not resulted in any significant loss, contingency or uncertainty. Where necessary, the Board and the Management will take swift and appropriate measures to update and strengthen the Group's system of risk management and internal control so as to adapt to the ever changing and challenging business environment.

This Statement was approved by the Board of CRG on 10 October 2025.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of AMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. As set out in their terms of engagement, the procedures were performed in accordance with Malaysian Approved Standard on Assurance Engagements, International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG3"), issued by Malaysian Institute of Accountants. AAPG3 does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management system and internal control processes of the Group. AAPG3 also does not require the External Auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report FY2025 would, in fact, remedy the problems. Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of the Companies Act 2016 ("CA2016") and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors ("Board") of Carlo Rino Group Berhad ("CRG" or "Company", and references to "CRG Group" or "Group" are to CRG and its subsidiaries) have prepared the Financial Statements of the Group and of the Company for the FY2025 in accordance with the applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the relevant provisions of the CA2016 so as to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the financial year then ended.

In preparing the said Financial Statements, the Directors have:

- adopted appropriate accounting policies and then applied them consistently;
- made reasonable and prudent judgements and estimates;
- ensured that applicable accounting standards have been followed, subject to any material departures disclosed and explained therein; and
- considered the Group and the Company's ability to continue as going concern based on the Directors' reasonable expectation that the Group and the Company have adequate resources to continue in operations for the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records that disclose with reasonable accuracy of the financial position of the Group and of the Company, enabling them to ensure that the financial statements comply with the CA2016.

It is also the responsibility of the Directors for taking all reasonable steps to establish and maintain a sound risk management framework alongside a reliable internal control system. Such measures are essential to safeguard the shareholders' investment and the assets of the Group as well as to protect the Group from unforeseen threats and operational inefficiencies.

This Statement was approved by the Board of CRG on 10 October 2025.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of Carlo Rino Group Berhad ("CRG" or "the Company") and its subsidiaries ("the Group") for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and its subsidiaries are principally involved in the business of designing, promoting, marketing, distributing and retailing of women's handbags, footwear and accessories. The Group is also involved in property development and property investment; investment holdings of securities; and provision of management services. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year ended 30 June 2025 except as per disclosed in Note 8 to the financial statements.

RESULTS

	Group RM	Company RM
Profit for the financial year attributable to: Owners of the parent	15,666,236	5,753,128

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	Company RM
In respect of the financial year ended 30 June 2025:	
Single tier interim dividend of 0.50 sen per ordinary share, paid on 7 August 2024	4,028,257
Single tier interim dividend of 0.50 sen per ordinary share, paid on 26 March 2025	4,887,586
	8,915,843

The Directors do not recommend any final dividend in respect of the financial year ended 30 June 2025.

The Directors also declared and paid the following dividend, of which will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2026:

	Company RM
In respect of the financial year ending 30 June 2026:	
Single tier interim dividend of 0.50 sen per ordinary share, paid on 25 September 2025	4,887,586

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year ended 30 June 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year ended 30 June 2025.

ISSUE OF SHARES AND DEBENTURES

On 18 December 2024, the Company undertook a public issue of 171,865,700 new ordinary shares in conjunction with the Initial Public Offering ("IPO") of the Company at an issue price of RM0.27 per ordinary share.

The newly issued shares rank pari passu in all respects with the existing shares of the Company. There was no other issuance of shares during the financial year.

The Company did not issue any debentures during the financial year ended 30 June 2025.

DIRECTORS OF CARLO RINO GROUP BERHAD

The Directors who held office during the financial year and up to the date of this report are as follows:

Vincent Loh	- Independent Non-Executive Chairman
Dato' Sri Chiang Fong Yee	- Group Managing Director
Lee Chwee Kin ⁽¹⁾	- Executive Director
Chin Peck Li	- Independent Non-Executive Director
Kam Sin Lin	- Independent Non-Executive Director
Lim Lay Ching	- Independent Non-Executive Director
Ong Boon Huat ⁽²⁾	- Executive Director

⁽¹⁾ Appointed on 1 January 2025

⁽²⁾ Resigned on 1 January 2025

DIRECTORS OF SUBSIDIARIES OF CARLO RINO GROUP BERHAD

Pursuant to Section 253 of the Companies Act 2016, the Directors of the subsidiaries of CRG during the financial year and up to the date of this report are as follows:

Dato' Sri Chiang Fong Yee
Datin Sri Lo Kin Yee

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of the Directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations during the financial year ended 30 June 2025 were as follows:

	← Balance as at 1.7.2024	Number of ordinary shares		→ Balance as at 30.6.2025
		Additions	Sold/ Transferred	
The Company				
<u>Direct interest</u>				
Dato’ Sri Chiang Fong Yee	257,000,498	6,446,250	-	263,446,748
Vincent Loh	-	200,000	-	200,000
Chin Peck Li	-	200,000	-	200,000
Kam Sin Lin	-	200,000	-	200,000
Lim Lay Ching	-	200,000	-	200,000
<u>Indirect interest</u>				
Dato’ Sri Chiang Fong Yee	24,169,542	-	-	24,169,542

By virtue of his substantial interest in the Company, Dato' Sri Chiang Fong Yee is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have been derived by virtue of the remuneration received or receivable by certain Directors from related corporations in their capacity as Directors or full-time employees of those related corporations and those transactions entered into in the ordinary course of business with companies in which a Director of the Company and its subsidiaries has substantial interests as disclosed in Note 30 to the financial statements.

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

DIRECTORS' REMUNERATION

The Directors' fees and other benefits of the Directors of the Group and of the Company who held office during the financial year ended 30 June 2025 are as follows:

	Group RM	Company RM
Directors' fees	225,000	201,000
Short term employee benefits	1,631,968	48,000
Contributions to defined contribution plan	196,758	3,990
	2,053,726	252,990

DIRECTORS' REPORT

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Group and the Company for the financial year ended 30 June 2025 was RM4,337.

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year ended 30 June 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year ended 30 June 2025 in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF REPORTING PERIOD

(a) On 14 August 2023, the Company announced that:

- it proposed to undertake the transfer of the listing and quotation of the entire enlarged issued share capital of the Company from the LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("LEAP Market") to the ACE Market of Bursa Securities ("Transfer of Listing"); and the withdrawal of the Company's listing from the official list of the LEAP Market pursuant to Rule 8.06 of the LEAP Market Listing Requirements of Bursa Securities ("Withdrawal of Listing"); and
- it has, on the same day received a letter from Dato' Sri Chiang Fong Yee, Chiang Sang Sem and Freeway Team Sdn. Bhd. (collectively, "Joint Offerors") to undertake a pre-conditional voluntary general offer to acquire all the remaining ordinary shares of the Company not already held by the Joint Offerors ("Offer Shares") ("Exit Offer") for a cash consideration of RM0.23 per Offer Share ("Exit Offer Price") to facilitate the Transfer and Withdrawal of Listing.

On 15 August 2023, MainStreet Advisers Sdn. Bhd. was appointed by the Company as its independent adviser to advise and make recommendations for the consideration of the Company's shareholders in connection with the Transfer and Withdrawal of Listing as well as the fairness and reasonableness of the Exit Offer.

On 15 July 2024, the Company announced that the Exit Offer Price has been adjusted from RM0.220 to RM0.215 per Offer Share after taking into consideration the interim single tier dividend of 0.5 sen per CRG Share in respect of the financial year ending 30 June 2025 with entitlement date on 24 July 2024 and paid by the Company on 7 August 2024.

- (b) On 31 July 2024, the Company announced that all the resolutions set forth in the Notice of Extraordinary General Meeting ("EGM") dated 9 July 2024 in relation to the adoption of a new constitution of the Company and proposed issuance and allotment of new CRG Shares to Independent Non-Executive Directors of the Company were duly passed by way of poll at the EGM of the Company held on the same day.
- (c) On 31 July 2024, the Company announced that the Ministry of Investment, Trade and Industry ("MITI") had, vide its letter dated 31 July 2024 agreed with the scheme for the IPO of CRG Shares which would result in an enlarged share capital of 977,517,100 CRG Shares and the Company has complied with the Bumiputera Equity Requirement for Public Listed Companies whereby 122,189,700 CRG Shares, which representing 12.50% of the Company's enlarged issued share capital to be allocated to Bumiputera investors approved by MITI.
- (d) On 12 August 2024, the Company announced that Bursa Securities had, vide its letter dated 12 August 2024, approved the transfer of listing of and quotation for the entire enlarged issued share capital of the Company comprising 977,517,100 CRG Shares on the ACE Market and to grant approval-in-principle for registration of the listing prospectus of the Company ("Transfer of Listing").
- (e) On 16 August 2024, the Company announced that the Securities Commission Malaysia had, vide its letter dated 13 August 2024 which was received by the Company on even date, approved the resultant equity structure of the Company under the equity requirement for public listed companies pursuant to the Transfer of Listing.
- (f) On 22 August 2024, the Company announced that Bursa Securities had, vide its letter dated 22 August 2024, approved the application for the Withdrawal of Listing.
- (g) On 22 August 2024, the Company received a notice of unconditional voluntary take-over offer ("Notice") from TA Securities Holdings Berhad, on behalf of the Joint Offerors, to undertake the Exit Offer to acquire all the Offer Shares for a cash consideration of RM0.215 per Offer Share to facilitate the Transfer of Listing and Withdrawal of Listing. The Notice was despatched to shareholders of the Company on 28 August 2024.
- (h) On 29 August 2024, the Company announced that it had received an addendum to the Notice dated 29 August 2024 from TA Securities Holdings Berhad, on behalf of the Joint Offerors.

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF REPORTING PERIOD (continued)

- (i) On 10 October 2024, the Company's wholly owned subsidiary, CRI Sdn. Bhd. ("CRI") had entered into a sale and purchase agreement with a third party in relation to the acquisition of a unit of 3-storey pre-war shophouse erected on a piece of freehold land held under Geran 21151, Lot 43, Kawasan Bandar XVI, Daerah Melaka Tengah, Negeri Melaka, measuring 947 square feet for a total cash purchase consideration of RM2,590,000. The acquisition was completed during the financial year 2025.
- (j) On 28 November 2024, the Company issued its prospectus in relation to the IPO in conjunction with the Transfer of Listing comprising public issue of 171,865,700 new Shares ("Issue Shares") in the following manner:
- (a) 48,876,000 Issue Shares made available for application by the Malaysian public;
 - (b) 800,000 Issue Shares made available for application by Independent Non-Executive Directors of the Company; and
 - (c) 122,189,700 Issue Shares made available by way of private placement to Bumiputera investors as approved by the MITI.

The listing and quotation for the entire issued share capital of the Company of 977,517,100 shares was transferred from the LEAP Market of Bursa Securities to the ACE Market of Bursa Securities on 18 December 2024.

- (k) On 31 March 2025, the Company subscribed for an additional 15,000,000 ordinary shares in the share capital of Imbi Strada Sdn.Bhd. ("ISSB") at an issue price of RM1.00 per share by way of cash subscription.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2025 were as follows:

	Group RM	Company RM
Statutory audit	127,900	31,900
Other audit-related services	90,700	66,000
	218,600	97,900

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

Dato' Sri Chiang Fong Yee
Group Managing Director

Kuala Lumpur
10 October 2025

Lee Chwee Kin
Executive Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 86 to 157 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions 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 30 June 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Sri Chiang Fong Yee
Group Managing Director

Lee Chwee Kin
Executive Director

Kuala Lumpur
10 October 2025

STATUTORY DECLARATION

I, Lee Chwee Kin (MIA 22010), being the Executive Director primarily responsible for the financial management of Carlo Rino Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 86 to 157 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
10 October 2025)

Lee Chwee Kin

Before me:

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLO RINO GROUP BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Carlo Rino Group Berhad, which comprise the statements of financial position as at 30 June 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 86 to 157.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 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.

Key Audit Matters of the Group

1. *Impairment assessment of the carrying amounts of property, plant and equipment and right-of-use assets*

As disclosed in Notes 5 and 6 to the financial statements, the carrying amounts of property, plant and equipment and right-of-use assets of the Group amounted to RM42,343,659 and RM19,074,737 respectively as at 30 June 2025. Included in these carrying amounts are property, plant and equipment and right-of-use assets amounting to RM1,148,521 and RM11,001,204 respectively as at 30 June 2025 in certain subsidiaries which have indication of impairment.

The Group had recognised impairment losses on property, plant and equipment and right-of-use assets of RM498,834 and RM1,025,037 respectively during the financial year ended 30 June 2025.

Management used forecasted future cash flows in value-in-use model to determine the recoverable amounts of these property, plant and equipment and right-of-use assets (hereinafter referred to as Cash Generating Units ("CGUs")) to assess if there is any impairment loss required on the property, plant and equipment and right-of-use assets.

We determined this to be a key audit matter because it requires management to exercise significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLO RINO GROUP BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

Key Audit Matters of the Group (continued)

1. *Impairment assessment of the carrying amounts of property, plant and equipment and right-of-use assets (continued)*

Our audit procedures included the following:

- (a) compared cash flow projections against recent performance and assessed and evaluated the key assumptions used in the projections by comparing to actual historical operating profit margins and growth rates;
- (b) compared prior period budgets to actual outcomes to assess reliability of management's forecasting process;
- (c) assessed appropriateness of pre-tax discount rates used for each CGU by comparing to the weighted average cost of capital of the Group and the relevant risk factors; and
- (d) performed sensitivity analysis to stress test the key assumptions in the impairment model.

2. *Carrying amount of inventories at the lower of cost and net realisable value*

As at 30 June 2025, the carrying amount of inventories of the Group was RM21,017,370 as disclosed in Note 11 to the financial statements.

We determined this to be a key audit matter as the carrying amount of inventories may not be stated at the lower of cost and net realisable value, the determination of which requires the management to exercise significant judgement in estimating the net realisable value of the inventories.

In estimating the net realisable value of inventories, the management considers the inventories' ageing, fashion pattern, current economic conditions, market demand, expectation of future prices and changes in customer preference of the respective inventories.

Our audit procedures included the following:

- (a) discussed with management and obtained an understanding of the process implemented by management over the determination of the lower of cost and net realisable value of inventories;
- (b) tested the accuracy of inventories' ageing;
- (c) tested the weighted average costing of inventories; and
- (d) tested inventories as well as old and slow-moving inventories for sales subsequent to the year end to support the assertion that the carrying amount of inventories is at the lower of cost and net realisable value.

3. *Recoverability of trade receivables*

As at 30 June 2025, the net carrying amount of trade receivables of the Group was RM2,735,116, as disclosed in Note 12 to the financial statements.

The Group has impaired trade receivables of RM114,968 as at 30 June 2025.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLO RINO GROUP BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

Key Audit Matters of the Group (continued)

3. Recoverability of trade receivables (continued)

Our audit procedures included the following:

- (a) assessed the adequacy of credit impaired assessment performed by management on trade receivables exceeding their credit terms and long overdue and old balances;
- (b) tested the accuracy of trade receivables' ageing;
- (c) recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (d) recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group;
- (e) inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and
- (f) assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

Key Audit Matter of the Company

1. Impairment assessment of the carrying amounts of costs of investments in subsidiaries

As disclosed in Note 8 to the financial statements, the net carrying amounts of costs of investments in subsidiaries amounted to RM84,285,788 as at 30 June 2025. Included in this carrying amount are costs of investments in certain subsidiaries amounting to RM12,512,149 as at 30 June 2025 which have indication of impairment.

The Company has impaired costs of investments in subsidiaries of RM2,895,368 as at 30 June 2025.

Management used forecasted future cash flows and a value-in-use model to compute the present value of forecasted future cash flows for the subsidiaries/CGUs, and also considered the fair value less costs of disposal to determine if there is any impairment loss required on the costs of investments in subsidiaries.

We determined the impairment assessment of the carrying amounts of the costs of investments in subsidiaries to be a key audit matter as the determination of whether or not an impairment loss is necessary involves significant judgements and estimates by the management about the future results and key assumptions applied to cash flow projections of the subsidiaries/CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

Our audit procedures included the following:

- (a) compared the recoverable amount of the subsidiaries to the cost of investments in subsidiaries as at year end to determine the amount of impairment loss, if any;
- (b) compared cash flows projections against recent performance and assessed the reasonableness of the key assumptions used by management in the cash flows projections by comparing to actual historical operating profit margins and growth rates;
- (c) compared prior period projections to actual outcomes to assess the reliability of management's forecasting process;
- (d) assessed the reasonableness of the pre-tax discount rate used for each subsidiary by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (e) performed sensitivity analysis to stress test the key assumptions used by management in the impairment model.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLO RINO GROUP BERHAD (INCORPORATED IN MALAYSIA)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

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:

- (a) 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLO RINO GROUP BERHAD (INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) 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.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
10 October 2025

Law Kian Huat
02855/06/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	42,343,659	41,269,998	89,846	42,612
Right-of-use assets	6	19,074,737	19,871,433	-	-
Investment properties	7	-	-	21,720,000	22,506,810
Investments in subsidiaries	8	-	-	84,285,788	72,181,156
Other investments	9	-	4,766,580	-	-
Deferred tax assets	10	1,406,000	1,147,000	-	-
		62,824,396	67,055,011	106,095,634	94,730,578
Current assets					
Inventories	11	21,017,370	14,647,951	-	-
Trade and other receivables	12	10,288,436	12,192,455	128,866	99,430
Contract assets	13	1,834,889	-	-	-
Current tax assets		180,854	148,714	-	-
Cash and bank balances	14	61,633,027	46,963,262	24,555,953	10,323,439
Short term funds	15	36,608,696	9,090,851	15,536,644	-
		131,563,272	83,043,233	40,221,463	10,422,869
TOTAL ASSETS		194,387,668	150,098,244	146,317,097	105,153,447
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	113,441,532	68,000,000	113,441,532	68,000,000
Reserves	17	45,661,567	43,677,754	26,332,792	29,495,507
TOTAL EQUITY		159,103,099	111,677,754	139,774,324	97,495,507

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
LIABILITIES					
Non-current liabilities					
Borrowings	18	5,401,063	6,638,152	5,401,063	6,638,152
Lease liabilities	6	14,681,959	15,919,978	-	-
Deferred tax liabilities	10	8,000	7,000	8,000	7,000
Provision for restoration costs	20	1,227,889	1,360,737	-	-
		21,318,911	23,925,867	5,409,063	6,645,152
Current liabilities					
Trade and other payables	21	4,563,542	6,017,077	192,103	161,348
Borrowings	18	914,652	857,402	837,157	782,440
Lease liabilities	6	7,212,993	5,905,339	-	-
Provision for restoration costs	20	285,789	120,508	-	-
Current tax liabilities		988,682	1,594,297	104,450	69,000
		13,965,658	14,494,623	1,133,710	1,012,788
TOTAL LIABILITIES		35,284,569	38,420,490	6,542,773	7,657,940
TOTAL EQUITY AND LIABILITIES		194,387,668	150,098,244	146,317,097	105,153,447

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	23	98,868,707	104,844,799	11,113,800	12,313,800
Cost of sales	24	(36,374,715)	(38,982,568)	-	-
Gross profit		62,493,992	65,862,231	11,113,800	12,313,800
Other operating income		2,343,107	1,739,582	710,451	105,856
Net gain/(loss) on impairment of financial assets and contract assets	25	123,436	(31,114)	-	-
Selling and distribution expenses		(26,613,482)	(24,539,929)	-	-
General and administrative expenses		(15,988,231)	(15,902,243)	(5,715,513)	(2,084,828)
Finance costs		(1,178,283)	(858,545)	-	-
Profit before tax	25	21,180,539	26,269,982	6,108,738	10,334,828
Tax expense	26	(5,514,303)	(6,965,004)	(355,610)	(233,897)
Profit for the financial year		15,666,236	19,304,978	5,753,128	10,100,931
Other comprehensive income, net of tax					
Item that has reclassified to profit or loss					
Derecognition of foreign subsidiaries	25	-	249,548	-	-
Items that will not be reclassified					
subsequently to profit or loss					
Fair value adjustment on other investment	26	(4,766,580)	-	-	-
Total other comprehensive (loss)/ income, net of tax		(4,766,580)	249,548	-	-
Total comprehensive income		10,899,656	19,554,526	5,753,128	10,100,931
Profit attributable to owners of parent		15,666,236	19,304,978	5,753,128	10,100,931
Total comprehensive income attributable to owners of the parent		10,899,656	19,554,526	5,753,128	10,100,931
Earnings per ordinary share attributable to equity holders of the Company (sen)					
Basic and Diluted	27	1.75	2.40		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Group	Note	Share capital RM	Non-distributable Exchange translation reserve RM	Fair value reserve RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 July 2023		68,000,000	(249,548)	910,535	31,518,755	100,179,742
Profit for the financial year		-	-	-	19,304,978	19,304,978
Reclassified to profit or loss on derecognition of foreign subsidiaries	25	-	249,548	-	-	249,548
Total comprehensive income		-	249,548	-	19,304,978	19,554,526
Transaction with owners						
Dividend paid	28	-	-	-	(8,056,514)	(8,056,514)
Total transaction with owners		-	-	-	(8,056,514)	(8,056,514)
Balance as at 30 June 2024		68,000,000	-	910,535	42,767,219	111,677,754

Group	Note	Share capital RM	Non Distributable Fair value reserve RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 July 2024		68,000,000	910,535	42,767,219	111,677,754
Profit for the financial year		-	-	15,666,236	15,666,236
Fair value loss on other investment	9	-	(4,766,580)	-	(4,766,580)
Total comprehensive income		-	(4,766,580)	15,666,236	10,899,656
Transaction with owners					
Dividend paid	28	-	-	(8,915,843)	(8,915,843)
Issuance of shares pursuant to IPO	16	46,403,739	-	-	46,403,739
Share issuance expenses	16	(962,207)	-	-	(962,207)
Total transaction with owners		45,441,532	-	(8,915,843)	36,525,689
Balance as at 30 June 2025		113,441,532	(3,856,045)	49,517,612	159,103,099

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Company	Note	Non-distributable Share capital RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 July 2023		68,000,000	27,451,090	95,451,090
Profit for the financial year		-	10,100,931	10,100,931
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	10,100,931	10,100,931
Transaction with owners				
Dividend paid	28	-	(8,056,514)	(8,056,514)
Total transaction with owners		-	(8,056,514)	(8,056,514)
Balance as at 30 June 2024		68,000,000	29,495,507	97,495,507
Profit for the financial year		-	5,753,128	5,753,128
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	5,753,128	5,753,128
Transaction with owners				
Dividend paid	28	-	(8,915,843)	(8,915,843)
Issuance of shares pursuant to IPO	16	46,403,739	-	46,403,739
Share issuance expenses	16	(962,207)	-	(962,207)
Total transaction with owners		45,441,532	(8,915,843)	36,525,689
Balance as at 30 June 2025		113,441,532	26,332,792	139,774,324

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		21,180,539	26,269,982	6,108,738	10,334,828
Adjustments for:					
Depreciation of property, plant and equipment	5	2,675,782	2,682,285	20,216	12,408
Depreciation of right-of-use assets	6	7,141,154	6,698,091	-	-
Dividend income	23	-	-	(9,900,000)	(11,100,000)
Fair value (gain)/ loss on short term funds, net	25	(27,404)	(46,374)	2,239	-
Gain on disposal of property, plant and equipment, net	25	-	(4,999)	-	-
Gain on reassessments and modifications of leases	6,25	(12,932)	(29,613)	-	-
Impairment losses on:					
- property, plant and equipment	5,25	498,834	276,446	-	-
- right-of-use assets	6,25	1,025,037	202,419	-	-
- investments in subsidiaries	8,25	-	-	2,895,368	92,865
- trade and other receivables	12,25	90,459	31,472	-	-
- contract assets	13,25	8,641	-	-	-
Interest expense	25	1,126,870	838,371	-	-
Interest income	25	(1,964,393)	(1,153,653)	(710,275)	(87,258)
Loss on derecognition of foreign subsidiaries	8,25	-	249,548	-	-
Loss on fair value of investment property	7,25	-	-	786,810	-
Property, plant and equipment written off	5,25	57	96,622	-	-
Written off of investments in subsidiaries	8,25	-	-	-	8,640,090
Reversal of impairment losses on:					
- right-of-use assets	6	-	(408,700)	-	-
- trade and other receivables	12,25	(222,536)	(358)	-	-
- investments in subsidiaries	8,25	-	-	-	(8,640,090)
Unrealised loss on foreign exchange, net		4,821	2,614	310	33
Unwinding of discount on provision for restoration costs	20,25	51,413	20,174	-	-
Operating profit/(loss) before changes in working capital		31,576,342	35,724,327	(796,594)	(747,124)
Changes in working capital:					
Inventories		(6,369,419)	(127,858)	-	-
Trade and other receivables		2,035,546	(3,424,278)	(29,436)	(7,824)
Contract assets		(1,843,530)	-	-	-
Trade and other payables		(1,479,012)	(3,285,729)	30,755	57,484
Cash from/(used in) operations		23,919,927	28,886,462	(795,275)	(697,464)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Cash from/(used in) operations		23,919,927	28,886,462	(795,275)	(697,464)
Tax paid		(6,467,313)	(6,530,902)	(319,160)	(212,097)
Tax refunded		57,255	-	-	-
Net cash from/(used in) operating activities		17,509,869	22,355,560	(1,114,435)	(909,561)
CASH FLOWS FROM INVESTING ACTIVITIES					
Subscription of shares in a subsidiary	8	-	-	(15,000,000)	-
Interest received		1,964,393	1,153,653	710,275	87,258
Placements of short term funds		(27,490,441)	(6,108,391)	(15,538,883)	-
Dividends received		-	-	9,900,000	11,100,000
Purchase of investment properties	7	-	-	-	(786,810)
Proceeds from disposal of property, plant and equipment		-	5,000	-	-
Purchase of property, plant and equipment	5(c)	(4,222,856)	(3,640,978)	(67,450)	(3,600)
Net cash (used in)/from investing activities		(29,748,904)	(8,590,716)	(19,996,058)	10,396,848
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid	6(g)	-	(1,892)	-	-
Dividends paid	28	(8,915,843)	(8,056,514)	(8,915,843)	(8,056,514)
Payments of lease liabilities	6(g)	(8,428,871)	(7,377,015)	-	-
Proceeds from issuance of ordinary shares	16	46,403,739	-	46,403,739	-
Shares issuance expenses	16	(962,207)	-	(962,207)	-
Drawdown of term loans	18(d)	890,369	76,395,266	-	-
Repayments of term loans	18(d)	(2,074,116)	(64,166,428)	(1,182,372)	(1,182,172)
Net cash from/(used in) financing activities		26,913,071	(27,664,259)	35,343,317	(9,238,686)
Net change in cash and cash equivalents		14,674,036	(13,899,415)	14,232,824	248,601
Effects of exchange rate changes on cash and cash equivalents		(4,271)	(1,588)	(310)	(33)
Cash and cash equivalents at beginning of financial year		46,963,262	60,864,265	10,323,439	10,074,871
Cash and cash equivalents at end of financial year	14	61,633,027	46,963,262	24,555,953	10,323,439

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

1. CORPORATE INFORMATION

CRG is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Securities, following its completion of Transfer of Listing on 18 December 2024.

The registered office of the Company is located at No.5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal place of business of the Company is located at L2-05, 2nd Floor, Ikon Connaught, Lot 160, Jalan Cerdas, Taman Connaught, 56000 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The consolidated financial statements for the financial year ended 30 June 2025 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 10 October 2025.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and its subsidiaries are principally involved in the business of designing, promoting, marketing, distributing and retailing of women's handbags, footwear and accessories. The Group is also involved in property development and property investment; investment holdings of securities; and provision of management services. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year ended 30 June 2025 except as per disclosed in Note 8 to the financial statements.

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of the adoption of the new MFRSs during the financial year. The Amendments to MFRSs adopted during the financial year are disclosed in Note 33.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

Carlo Rino Group Berhad and its subsidiaries are principally involved in the business of designing, promoting, marketing, distributing and retailing of women's handbags, footwear and accessories. The Group is also involved in property development and property investment; investment holding of securities; and provision of management services.

The Group has arrived at two (2) reportable operating segments that are organised and managed separately according to the nature of products and services and specific expertise, which requires different business and marketing strategies. The reportable segments are summarised as follows:

Retailing	Designing, promoting, marketing, distributing and retailing of women's footwear, handbags and accessories.
Investment and management services	Investment holding of securities and properties and provision of management services.

NOTES TO THE FINANCIAL STATEMENTS

4. OPERATING SEGMENTS (continued)

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the similar lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets.

Segment liabilities exclude tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirement).

Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

2025	Retailing RM	Investment and management services RM	Total RM
Revenue			
Total revenue	138,516,105	21,236,900	159,753,005
Inter-segment revenue	(39,647,398)	(21,236,900)	(60,884,298)
Revenue from external customers	98,868,707	-	98,868,707
Interest income	880,676	1,083,717	1,964,393
Interest expense	(1,110,726)	(67,557)	(1,178,283)
Net interest (expense)/income	(230,050)	1,016,160	786,110
Profit before tax	20,035,996	1,144,543	21,180,539
Tax expense	4,943,717	570,586	5,514,303
Material items:			
- realised loss on foreign exchange, net	(4,037)	(2,176)	(6,213)
- rental commission	(1,350,206)	-	(1,350,206)
- rental of premises (paid)/received, net	-	82,500	82,500
Other material non-cash items:			
- depreciation of property, plant and equipment	(1,952,155)	(723,627)	(2,675,782)
- depreciation of right-of-use assets	(6,492,262)	(648,892)	(7,141,154)
- fair value gain on short term funds, net	9,713	17,691	27,404
- gain on reassessments and modification of leases	12,932	-	12,932
- impairment losses on property, plant and equipment	(498,834)	-	(498,834)
- impairment losses on right-of-use assets	(1,025,037)	-	(1,025,037)
- impairment losses on trade receivables	(90,459)	-	(90,459)
- impairment losses on contract assets	(8,641)	-	(8,641)
- property, plant and equipment written off	(47)	(10)	(57)
- reversal of impairment losses on trade receivables	222,536	-	222,536
- unrealised loss on foreign exchange, net	(4,246)	(575)	(4,821)
Additions to non-current assets other than financial instruments and deferred tax assets	4,997,042	3,002,806	7,999,848
Segment assets	88,882,987	103,917,827	192,800,814
Segment liabilities	24,839,808	9,448,079	34,287,887

NOTES TO THE FINANCIAL STATEMENTS

4. OPERATING SEGMENTS (continued)

2024	Retailing RM	Investment and management services RM	Total RM
Revenue			
Total revenue	146,625,440	21,907,100	168,532,540
Inter-segment revenue	(41,780,641)	(21,907,100)	(63,687,741)
Revenue from external customers	104,844,799	-	104,844,799
Interest income	787,861	365,792	1,153,653
Interest expense	(804,770)	(53,775)	(858,545)
Net interest (expense)/income	(16,909)	312,017	295,108
Profit before tax	25,924,620	345,362	26,269,982
Tax expense	(6,502,742)	(462,262)	(6,965,004)
Material items:			
- realised (loss)/gain on foreign exchange, net	(8,126)	3,982	(4,144)
- rental commission	(1,725,903)	-	(1,725,903)
- rental of premises (paid)/received, net	-	57,000	57,000
Other material non-cash items:			
- depreciation of property, plant and equipment	(1,924,427)	(757,858)	(2,682,285)
- depreciation of right-of-use assets	(6,013,071)	(685,020)	(6,698,091)
- fair value gain on short term funds	33,056	13,318	46,374
- gain on disposal of property, plant and equipment	4,999	-	4,999
- gain on reassessments and modification of leases	29,613	-	29,613
- impairment losses on property, plant and equipment	(276,446)	-	(276,446)
- impairment losses on right-of-use assets	(202,419)	-	(202,419)
- impairment losses on trade receivables	(31,472)	-	(31,472)
- loss on derecognition of foreign subsidiaries	-	(249,548)	(249,548)
- property, plant and equipment written off	(96,360)	(262)	(96,622)
- reversal of impairment losses on right-of-use assets	408,700	-	408,700
- reversal of impairment losses on trade receivables	306	-	306
- reversal of impairment losses on other receivables	-	52	52
- unrealised loss on foreign exchange, net	(409)	(2,205)	(2,614)
Additions to non-current assets other than financial instruments, deferred tax assets and investment in an associate	9,836,670	1,040,838	10,877,508
Segment assets	85,003,882	63,798,648	148,802,530
Segment liabilities	25,980,326	10,838,867	36,819,193

NOTES TO THE FINANCIAL STATEMENTS

4. OPERATING SEGMENTS (continued)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2025 RM	Group 2024 RM
Revenue		
Total revenue for reportable segments	159,753,005	168,532,540
Elimination of inter-segment revenues	(60,884,298)	(63,687,741)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	98,868,707	104,844,799
Profit for the financial year		
Profit before tax	21,180,539	26,269,982
Tax expense	(5,514,303)	(6,965,004)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	15,666,236	19,304,978
Assets		
Total assets for reportable segments	192,800,814	148,802,530
Tax assets	1,586,854	1,295,714
Total assets of the Group per consolidated statement of financial position	194,387,668	150,098,244
Liabilities		
Total liabilities for reportable segments	34,287,887	36,819,193
Tax liabilities	996,682	1,601,297
Total liabilities of the Group per consolidated statement of financial position	35,284,569	38,420,490

Geographical information

The business activities of the Group are predominantly located in Malaysia and as such no additional disclosure is made on segment reporting by geographical location.

Major customers

There were no major customers who contributed more than ten percent (10%) of the total revenue of the Group. As such, information on major customers is not presented.

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2024 RM	Additions RM	Depreciation charge for the financial year RM	Impairment charge for the financial year RM	Reclassification from right-of-use assets (Note 6) RM	Written off RM	Balance as at 30.6.2025 RM
Carrying amount							
Freehold land and buildings	36,922,079	2,682,780	(471,786)	(132,780)	-	-	39,000,293
Electrical installation	52,868	-	(34,296)	-	-	-	18,572
Furniture, fittings and counter fixtures	3,265,440	1,035,317	(1,830,118)	(366,054)	-	(19)	2,104,566
Motor vehicles	47,906	-	(30,412)	-	1	-	17,495
Office equipment	743,876	341,696	(294,405)	-	-	(38)	791,129
Plant and machinery	3	-	-	-	-	-	3
Renovation	21,686	62,250	(14,765)	-	-	-	69,171
Property under construction	216,140	126,290	-	-	-	-	342,430
	41,269,998	4,248,333	(2,675,782)	(498,834)	1	(57)	42,343,659
Group							
				Cost RM	Accumulated depreciation RM	Accumulated impairment RM	Carrying amount RM
Freehold land and buildings				43,642,480	(4,509,407)	(132,780)	39,000,293
Electrical installation				532,224	(494,957)	(18,695)	18,572
Furniture, fittings and counter fixtures				22,162,860	(18,900,146)	(1,158,148)	2,104,566
Motor vehicles				590,260	(572,765)	-	17,495
Office equipment				5,003,143	(4,198,041)	(13,973)	791,129
Plant and machinery				158,259	(158,256)	-	3
Renovation				1,236,916	(1,160,050)	(7,695)	69,171
Property under construction				342,430	-	-	342,430
				73,668,572	(29,993,622)	(1,331,291)	42,343,659

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Balance as at 1.7.2023 RM	Additions RM	Depreciation charge for the financial year RM	Impairment charge for the financial year RM	Disposal RM	Written off RM	Balance as at 30.6.2024 RM
Carrying amount							
Freehold land and buildings	36,600,498	786,810	(465,229)	-	-	-	36,922,079
Electrical installation	91,530	-	(38,661)	-	-	(1)	52,868
Furniture, fittings and counter fixtures	2,768,748	2,681,341	(1,811,888)	(276,446)	(1)	(96,314)	3,265,440
Motor vehicles	78,617	-	(30,711)	-	-	-	47,906
Office equipment	745,411	292,667	(293,895)	-	-	(307)	743,876
Plant and machinery	3	-	-	-	-	-	3
Renovation	63,587	-	(41,901)	-	-	-	21,686
Property under construction	20,140	196,000	-	-	-	-	216,140
	40,368,534	3,956,818	(2,682,285)	(276,446)	(1)	(96,622)	41,269,998
Group			Cost RM	Accumulated depreciation RM	Accumulated impairment RM		Carrying amount RM
Freehold land and buildings			40,959,700	(4,037,621)	-		36,922,079
Electrical installation			532,224	(460,661)	(18,695)		52,868
Furniture, fittings and counter fixtures			21,496,072	(17,312,357)	(918,275)		3,265,440
Motor vehicles			153,560	(105,654)	-		47,906
Office equipment			4,711,211	(3,953,362)	(13,973)		743,876
Plant and machinery			158,259	(158,256)	-		3
Renovation			1,174,666	(1,145,285)	(7,695)		21,686
Property under construction			216,140	-	-		216,140
			69,401,832	(27,173,196)	(958,638)		41,269,998

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Balance as at 1.7.2024 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 30.6.2025 RM
Carrying amount				
Electrical installation	1,051	-	(1,050)	1
Furniture and fittings	41,550	5,200	(10,917)	35,833
Office equipment	6	-	-	6
Renovation	5	62,250	(8,249)	54,006
	42,612	67,450	(20,216)	89,846

Company	As at 30.6.2025		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Electrical installation	42,932	(42,931)	1
Furniture and fittings	77,130	(41,297)	35,833
Office equipment	69,395	(69,389)	6
Renovation	113,950	(59,944)	54,006
	303,407	(213,561)	89,846

Company	Balance as at 1.7.2023 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 30.6.2024 RM
Electrical installation	2,851	-	(1,800)	1,051
Furniture and fittings	48,558	3,600	(10,608)	41,550
Office equipment	6	-	-	6
Renovation	5	-	-	5
	51,420	3,600	(12,408)	42,612

Company	As at 30.6.2024		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Electrical installation	42,932	(41,881)	1,051
Furniture and fittings	71,930	(30,380)	41,550
Office equipment	69,395	(69,389)	6
Renovation	51,700	(51,695)	5
	235,957	(193,345)	42,612

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the Company and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

- (b) Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	2%
Electrical installation	15%
Furniture, fittings and counter fixtures	15% - 33%
Motor vehicles	20%
Office equipment	15% - 20%
Plant and machinery	20%
Renovation	20% - 25%

Freehold land has unlimited useful life and is not depreciated. Property under construction represents a building under construction and is stated at cost. Property under construction is not depreciated until such time when the asset is available for use.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (c) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Purchase of property, plant and equipment	4,248,333	3,956,818	67,450	3,600
Unsettled and remained as other payables	(25,477)	(315,840)	-	-
Cash payments on purchase of property, plant and equipment	4,222,856	3,640,978	67,450	3,600

- (d) On 10 October 2024, the Company's wholly owned subsidiary, CRI Sdn. Bhd. ("CRI") had entered into a sale and purchase agreement with a third party in relation to the acquisition of one unit of 3-storey pre-war shophouse erected on a piece of freehold land held under Geran 21151, Lot 43, Kawasan Bandar XVI, Daerah Melaka Tengah, Negeri Melaka, measuring 947 square feet for a total cash purchase consideration of RM2,590,000. The acquisition was completed during the financial year.
- (e) As at the end of the reporting period, the carrying amount of property, plant and equipment pledged as securities for banking facilities granted to the Group and the Company as disclosed in Note 19 to the financial statements are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Freehold land and buildings	35,326,912	35,770,730	-	-

- (f) For the purpose of impairment assessment, recoverable amount of property, plant and equipment is determined based on a "value-in-use" of each Cash Generating Units ("CGUs").

The carrying amounts of property, plant and equipment in certain subsidiaries which have indication of impairment amounted to RM1,148,521 (2024: RM1,327,890).

Value-in-use of the CGUs is determined by discounting the future cash flows to be generated from continuing use of the CGUs. Management has made significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining the recoverable amount using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

Based on these assumptions, impairment losses of RM498,834 (2024: RM276,446) are recognised in relation to the property, plant and equipment of the Group as the recoverable amounts are lower than the carrying amounts of the CGUs.

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

6. LEASES

The Group as lessee

Right-of-use assets

Group	Balance as at 1.7.2024 RM	Reassessments and modifications RM	Additions RM	Depreciation charge for the financial year RM	Impairment loss for the financial year RM	Reclassification to property, plant and equipment (Note 5) RM	Balance as at 30.6.2025 RM
Carrying amount							
Boutiques	19,819,831	2,191,163	3,765,640	(6,492,262)	(1,025,037)	-	18,259,335
Motor vehicles	1	-	-	-	-	(1)	-
Office	51,601	1,412,693	-	(648,892)	-	-	815,402
	19,871,433	3,603,856	3,765,640	(7,141,154)	(1,025,037)	(1)	19,074,737

As at 30.6.2025				
Group	Cost RM	Accumulated depreciation RM	Accumulated impairment RM	Carrying amount RM
Boutiques	53,601,139	(32,995,518)	(2,346,286)	18,259,335
Office	4,944,967	(4,129,565)	-	815,402
	58,546,106	(37,125,083)	(2,346,286)	19,074,737

NOTES TO THE FINANCIAL STATEMENTS

6. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

Group	Balance as at 1.7.2023 RM	Reassessments and modifications RM	Additions RM	Depreciation charge for the financial year RM	Impairment loss for the financial year RM	Reversal of impairment loss for the financial year RM	Balance as at 30.6.2024 RM
Carrying amount							
Boutiques	14,587,528	4,118,403	6,920,690	(6,013,071)	(202,419)	408,700	19,819,831
Motor vehicles	80,063	-	-	(80,062)	-	-	1
Office	673,961	(17,402)	-	(604,958)	-	-	51,601
	15,341,552	4,101,001	6,920,690	(6,698,091)	(202,419)	408,700	19,871,433

	Cost RM	Accumulated depreciation RM	Accumulated impairment RM	Carrying amount RM
As at 30.6.2024				
Group				
Boutiques	48,258,426	(27,117,346)	(1,321,249)	19,819,831
Motor vehicles	436,700	(436,699)	-	1
Office	3,532,274	(3,480,673)	-	51,601
	52,227,400	(31,034,718)	(1,321,249)	19,871,433

NOTES TO THE FINANCIAL STATEMENTS

6. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

- (a) The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

- (i) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- (ii) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of RM20,000 and below. Short-term leases are leases with a lease term of twelve (12) months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

- (b) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

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

- (c) The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Boutiques	2 to 9 years
Motor vehicles	5 years
Office	6 years

- (d) The Group leases boutiques, motor vehicles and office with lease periods of two (2) years to nine (9) years (2024: two (2) years to nine (9) years).
- (e) The Group has certain leases of boutiques with lease term of less than twelve (12) months. The Group applies the "short-term lease" exemption for these leases.

NOTES TO THE FINANCIAL STATEMENTS

6. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

(f) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	2025 RM	Group 2024 RM
Addition of right-of-use assets	3,765,640	6,920,690
Financed by lease liabilities	(3,751,515)	(6,920,690)
Provision for restoration costs capitalised (Note 20(c))	(14,125)	-
Cash payments on right-of-use assets	-	-

(g) The following are the amounts recognised in profit or loss:

	2025 RM	Group 2024 RM
Included in general and administrative expenses:		
Expenses relating to leases of low-value assets	6,000	6,000
Depreciation charge of right-of-use assets	648,892	685,020
Included in selling and distribution expenses:		
Depreciation charge of right-of-use assets	6,492,262	6,013,071
Impairment losses on right-of-use assets	1,025,037	202,419
Variable lease payments:		
- based on the monthly gross sales	1,350,206	1,725,903
Included in finance costs:		
Interest expense on lease liabilities	1,122,962	814,637
Included in other operating income:		
Gain on reassessments and modifications of leases	(12,932)	(29,613)
	10,632,427	9,417,437

NOTES TO THE FINANCIAL STATEMENTS

6. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

- (h) For the purpose of impairment assessment, recoverable amount of the right-of-use assets is determined based on a "value-in-use" of each CGU.

The carrying amounts of right-of-use assets in certain subsidiaries which have indication of impairment amounted to RM11,001,204 (2024: RM7,510,588).

Value-in-use of the CGUs is determined by discounting the future cash flows for the remaining useful life of the right-of-use assets. Management has made significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining the recoverable amount using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

Based on these assumptions, an impairment loss of RM1,025,037 (2024: RM202,419) is recognised in relation to the right-of-use assets of the Group as the recoverable amounts are lower than the carrying amounts of the CGUs.

Management had also determined that the recoverable amounts of certain right-of-use assets are higher than their carrying amount. Accordingly, reversals of impairment of right-of-use assets of the Group amounted to RM Nil (2024: RM408,700) was recognised within other operating income in the statements of profit or loss and other comprehensive income in the current financial year. The pre-tax discounted rate applied on the cash flow projections in determining the recoverable amount is 9.18% (2024: 10.80%).

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

6. LEASES (continued)

The Group as lessee (continued)

Lease liabilities

Carrying amount	Balance as at 1.7.2024 RM	Reassessments and modifications RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2025 RM
Boutiques	21,773,210	2,200,335	3,751,515	(7,699,764)	1,076,117	21,101,413
Motor vehicles	-	-	-	-	-	-
Office	52,107	1,423,694	-	(729,107)	46,845	793,539
	21,825,317	3,624,029	3,751,515	(8,428,871)	1,122,962	21,894,952

Carrying amount	Balance as at 1.7.2023 RM	Reassessments and modifications RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2024 RM
Boutiques	16,629,948	4,087,183	6,920,690	(6,664,772)	800,161	21,773,210
Motor vehicles	86,971	-	-	(88,863)	1,892	-
Office	664,795	-	-	(625,272)	12,584	52,107
	17,381,714	4,087,183	6,920,690	(7,378,907)	814,637	21,825,317

NOTES TO THE FINANCIAL STATEMENTS

6. LEASES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

Represented by:	2025 RM	Group 2024 RM
Non-current liabilities		
- Lease liabilities owing to non-financial institutions	14,681,959	15,919,978
Current liabilities		
- Lease liabilities owing to non-financial institutions	7,212,993	5,905,339
	21,894,952	21,825,317

- (a) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

- (b) The movements of lease liabilities during the financial year are as follows:

	2025 RM	Group 2024 RM
At 1 July 2024/2023	21,825,317	17,381,714
Additions of lease liabilities	3,751,515	6,920,690
Interest charged for the year	1,122,962	814,637
Lease payments	(8,428,871)	(7,378,907)
Reassessments and modifications	3,624,029	4,087,183
At 30 June 2025/2024	21,894,952	21,825,317

NOTES TO THE FINANCIAL STATEMENTS

6. LEASES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

(c) The following are total cash outflows for lease as a lessee:

	2025 RM	Group 2024 RM
Included in net cash from operating activities:		
Interest paid in relation to lease liabilities	-	1,892
Payments relating to variable lease payments not included in the measurement of lease liabilities	1,350,206	1,725,903
Included in net cash from financing activities:		
Payments of lease liabilities	8,428,871	7,377,015
	9,779,077	9,104,810

(d) Variable lease payments that depend on sales, if any, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(e) The Group has lease contracts for certain boutiques that contains variable payments based on the monthly gross sales. Variable lease payments are recognised in profit or loss when the condition that triggers those payments occur.

A 10% increase in monthly gross sales would increase total lease payments by 1.4% (2024: 1.9%).

(f) Information on the financial risk of lease liabilities is disclosed in Note 32 to the financial statements.

(g) Reconciliation of liabilities arising from financing activities:

	Lease liabilities RM
Group	
At 1 July 2024	21,825,317
Cash flows:	
- Payments of lease liabilities	(8,428,871)
- Interest paid	-
	(8,428,871)
Non-cash flows:	
- Additions	3,751,515
- Reassessments and modifications	3,624,029
- Unwinding of interest	1,122,962
	8,498,506
At 30 June 2025	21,894,952

NOTES TO THE FINANCIAL STATEMENTS

6. LEASES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

(g) Reconciliation of liabilities arising from financing activities (continued):

	Lease liabilities RM
Group (continued)	
At 1 July 2023	17,381,714
Cash flows:	
- Payments of lease liabilities	(7,378,907)
- Interest paid	1,892
	(7,377,015)
Non-cash flows:	
- Additions	6,920,690
- Reassessments and modifications	4,087,183
- Unwinding of interest	812,745
	11,820,618
At 30 June 2024	21,825,317

7. INVESTMENT PROPERTIES

Company	Balance as at 1.7.2024 RM	Fair value loss RM	Balance as at 30.6.2025 RM
At fair value			
Freehold land and building	22,506,810	(786,810)	21,720,000

Company	Balance as at 1.7.2023 RM	Addition RM	Balance as at 30.6.2024 RM
At fair value			
Freehold land and building	21,720,000	786,810	22,506,810

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT PROPERTIES (continued)

- (a) Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value. A gain or loss arising from a change in fair value of investment properties is recognised in profit or loss for the period in which it arises.

- (b) As at the end of reporting period, the investment properties pledged as securities for banking facilities granted to the Company as disclosed in Note 19 to the financial statements are as follows:

	Company	
	2025 RM	2024 RM
Freehold land and building	20,340,000	21,126,810

- (c) As at the end of reporting period, rental income of the Company derived from the investment properties are as follows:

	Company	
	2025 RM	2024 RM
Rental income	1,213,800	1,213,800

- (d) The amounts of direct expenses recognised in profit or loss during the financial year are as follows:

	Company	
	2025 RM	2024 RM
<u>Income generating units</u>		
Repairs and maintenance	277,249	275,344
Quit rent and assessment	20,972	19,331

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT PROPERTIES (continued)

- (e) The fair value of investment properties of the Company are categorised as follows:

Company	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Freehold land and building	-	-	21,720,000	21,720,000
2024				
Freehold land and building	-	-	22,506,810	22,506,810

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 30 June 2025 and 30 June 2024.
- (ii) As at 30 June 2025, the valuation of investment properties of the Company at Level 3 fair value amounting to RM21,720,000 (2024: RM22,506,810) respectively were recommended by the Directors based on indicative market values from the valuation exercise carried out on an open market value basis by an external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The valuations were made based on the comparison method that makes reference to recent sales transactions of similar properties in the same locality on a price per square feet basis. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

During the financial year, the net fair value loss of RM786,810 (2024: Nil) arising from the remeasurement of investment properties were recognised in the profit or loss as disclosed in Note 25 to the financial statements.

- (iii) The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use. The investment properties of the Company are mainly used to generate rental income.

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares - at cost:		
At 1 July	83,735,473	92,375,563
Addition	15,000,000	-
Written off	-	(8,640,090)
At 30 June	98,735,473	83,735,473
Accumulated impairment losses:		
At 1 July	(11,554,317)	(20,101,542)
Charge for the financial year	(2,895,368)	(92,865)
Reversal of impairment loss	-	8,640,090
At 30 June	(14,449,685)	(11,554,317)
Total investment in subsidiaries	84,285,788	72,181,156

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements at cost less impairment losses.
- (b) The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of company	Country of incorporation and principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
CR Boutique Sdn. Bhd. ("CRB")	Malaysia	100	100	Retailing of women's footwear, handbags and accessories
CRF Marketing Sdn. Bhd. ("CRF")	Malaysia	100	100	Designing, promoting and marketing of women's footwear
CRL Marketing Sdn. Bhd. ("CRL")	Malaysia	100	100	Designing, promoting and marketing of women's handbags and accessories
CRI Sdn. Bhd. ("CRI")	Malaysia	100	100	Investment holding of securities and real properties
CRV Sdn. Bhd. ("CRV")	Malaysia	100	100	Marketing and distribution of fashionable goods and accessories, and provision of management services
Imbi Strada Sdn. Bhd. ("ISSB")	Malaysia	100	100	Property development and property investment

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENTS IN SUBSIDIARIES (continued)

(c) During the financial year ended 30 June 2025:

- (i) On 31 March 2025, the Company subscribed for an additional 15,000,000 ordinary shares in the share capital of ISSB at an issue price of RM1.00 per share by way of cash subscription.
- (ii) On 9 October 2024, CRI changed its principal activities to investment holding of securities and real properties.

(d) In the previous financial year:

- (i) On 14 August 2023, the relevant Vietnamese regulatory authority confirmed that the voluntary dissolution of CRR Vietnam Co., Ltd. ("CRR") had been completed.
- (ii) On 10 January 2024, PT CRI Mitra Sejati ("PTCMS") received final approval letter from Ministry of Law and Human Rights, confirmed the process of its member's voluntary winding-up had been completed.
- (iii) Upon the dissolution and winding up of CRR and PTCMS, the Company had written off the investments in CRR and PTCMS totalling RM8,640,090. In relation to this, the Company also reversed the impairment loss on the investments in CRR and PTCMS amounted to RM8,640,090.

In respect of the consolidated financial statements of the Group, the dissolution and winding up of CRR and PTCMS had resulted in a loss of derecognition of foreign subsidiaries recognised in other comprehensive income of RM249,548 was transferred to profit or loss.

- (e) The management has assessed whether there were any indicators of impairment during the financial year. Management has performed impairment assessments and the recoverable amounts are determined based on the value-in-use of CGUs.

Management has made significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining the recoverable amount using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

Based on these assumptions, impairment losses of RM2,895,368 (2024: RM92,865) is recognised in relation to the costs of investments in subsidiaries as the recoverable amounts are lower than the carrying amounts of the CGUs.

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER INVESTMENTS

	2025 RM	Group 2024 RM
Financial asset at fair value through other comprehensive income		
Quoted shares in Malaysia	4,766,580	4,766,580
Less: Fair value adjustments	(4,766,580)	-
	-	4,766,580
Financial asset at fair value through profit or loss		
Unquoted shares in Malaysia	4,482,646	4,482,646
Less: Fair value adjustments	(4,482,646)	(4,482,646)
	-	-
	-	4,766,580

- (a) The Group has elected to recognise these equity investments at fair value through other comprehensive income ("FVOCI"), these investments are held as long term strategic investments that are not expected to be sold in the short term to medium term.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses from changes in fair value recognised in other comprehensive income and accumulated in the fair value adjustment reserve within equity. Upon disposal, the cumulative gains or losses previously recognised in other comprehensive income are transferred to retained earnings.

- (b) The movement of the quoted shares in Malaysia are as follows:

	2025 RM	Group 2024 RM
Balance as at 1 July 2024/2023	4,766,580	4,766,580
Add: Fair value adjustment on other investments (Note 31(d)(iii))	(4,766,580)	-
Balance as at 30 June 2025/2024	-	4,766,580

- (c) Information on the fair value hierarchy is disclosed in Note 31(d) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX

- (a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Balance as at 1 July 2024/2023	1,140,000	1,272,000	(7,000)	(9,000)
Recognised in profit or loss (Note 26)	258,000	(132,000)	(1,000)	2,000
Balance as at 30 June 2025/2024	1,398,000	1,140,000	(8,000)	(7,000)

Presented after appropriate offsetting as follow:

Deferred tax assets, net	1,406,000	1,147,000	-	-
Deferred tax liabilities, net	(8,000)	(7,000)	(8,000)	(7,000)
	1,398,000	1,140,000	(8,000)	(7,000)

- (b) The components and movements of deferred tax liabilities and assets during the financial year are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Offsetting RM	Total RM
At 1 July 2024	(56,000)	49,000	(7,000)
Recognised in profit or loss	(1,000)	-	(1,000)
At 30 June 2025	(57,000)	49,000	(8,000)
At 1 July 2023	(58,000)	49,000	(9,000)
Recognised in profit or loss	2,000	-	2,000
At 30 June 2024	(56,000)	49,000	(7,000)

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX (continued)

- (b) The components and movements of deferred tax liabilities and assets during the financial year are as follows (continued):

Deferred tax assets of the Group

	Property, plant and equipment RM	Right-of- use assets and lease liabilities RM	Other deductible temporary differences RM	Offsetting RM	Total RM
At 1 July 2024	(38,000)	565,000	669,000	(49,000)	1,147,000
Recognised in profit or loss	206,000	195,000	(142,000)	-	259,000
At 30 June 2025	168,000	760,000	527,000	(49,000)	1,406,000
At 1 July 2023	(153,000)	567,000	916,000	(49,000)	1,281,000
Recognised in profit or loss	115,000	(2,000)	(247,000)	-	(134,000)
At 30 June 2024	(38,000)	565,000	669,000	(49,000)	1,147,000

Deferred tax liabilities of the Company

	Property, plant and equipment RM	Offsetting RM	Total RM
At 1 July 2024	(7,000)	-	(7,000)
Recognised in profit or loss	(1,000)	-	(1,000)
At 30 June 2025	(8,000)	-	(8,000)
At 1 July 2023	(9,000)	-	(9,000)
Recognised in profit or loss	2,000	-	2,000
At 30 June 2024	(7,000)	-	(7,000)

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX (continued)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	2025 RM	Group 2024 RM
Unabsorbed capital allowances	89,000	89,000
Other deductible temporary differences	1,704,227	2,711,697
	1,793,227	2,800,697

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

11. INVENTORIES

	2025 RM	Group 2024 RM
Consumables	19,537	27,864
Finished goods	20,997,833	14,620,087
	21,017,370	14,647,951

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost is determined using the weighted average method. Cost of inventories comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.
- (c) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Management exercises significant judgements in estimating the net realisable value of the inventories. In estimating the net realisable value of inventories, management considers the inventories' ageing, fashion pattern, current economic conditions, market demand, expectation of future prices and changes in customer preference of the respective inventories.
- (d) During the financial year, inventories of the Group recognised as cost of sales amounted to RM36,374,715 (2024: RM38,982,568).

NOTES TO THE FINANCIAL STATEMENTS

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables				
Third parties	2,850,084	4,891,923	-	-
Less: Impairment losses - third parties	(114,968)	(247,045)	-	-
	2,735,116	4,644,878	-	-
Other receivables and deposits				
Other receivables	148,857	296,016	21,582	459
Deposits	4,307,214	4,242,414	87,068	86,068
	4,456,071	4,538,430	108,650	86,527
Less: Impairment losses - deposits	(29,850)	(29,850)	-	-
	(29,850)	(29,850)	-	-
	4,426,221	4,508,580	-	-
Total trade and other receivables	7,161,337	9,153,458	108,650	86,527
Prepayments	3,127,099	3,038,997	20,216	12,903
	10,288,436	12,192,455	128,866	99,430

- (a) Trade and other receivables, net of prepayments are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 15 to 60 days (2024: 15 to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

12. TRADE AND OTHER RECEIVABLES (continued)

(c) The currency exposure profile of receivables (excluding prepayments) are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	7,104,270	9,101,140	108,650	86,527
Singapore Dollar	7,263	8,843	-	-
United States Dollar	30,334	30,334	-	-
Hong Kong Dollar	5,758	3,933	-	-
Others	13,712	9,208	-	-
	7,161,337	9,153,458	108,650	86,527

(d) The ageing analysis of trade receivables of the Group are as follows:

Group 2025	Gross carrying amount RM	Total allowance RM	Balance as at 30.6.2025 RM
Current	2,173,405	(7,130)	2,166,275
Past due:			
1 to 30 days	351,579	(3,566)	348,013
31 to 60 days	228,936	(8,378)	220,558
61 to 90 days	663	(393)	270
91 to 120 days	22	(22)	-
More than 120 days	95,479	(95,479)	-
	676,679	(107,838)	568,841
	2,850,084	(114,968)	2,735,116
Group 2024	Gross carrying amount RM	Total allowance RM	Balance as at 30.6.2024 RM
Current	2,358,245	(4,283)	2,353,962
Past due:			
1 to 30 days	1,753,385	(3,430)	1,749,955
31 to 60 days	239,538	(1,761)	237,777
61 to 90 days	258,086	(4,824)	253,262
91 to 120 days	13,493	(1,575)	11,918
More than 120 days	269,176	(231,172)	38,004
	2,533,678	(242,762)	2,290,916
	4,891,923	(247,045)	4,644,878

NOTES TO THE FINANCIAL STATEMENTS

12. TRADE AND OTHER RECEIVABLES (continued)

- (e) Impairment for trade receivables that do not contain a significant financing component is recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses ("ECL").

Lifetime expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

The Group considers historical credit loss experience and observable data such as current changes and future forecasts in economic conditions of the Group's industry to estimate the amount of expected impairment loss. The methodology and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

Recoverability of trade receivables requires management to exercise significant judgement in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information.

- (f) The reconciliation of movements in the impairment losses on trade receivables is as follows:

Group	Lifetime ECL allowance RM	Credit impaired RM	Total allowance RM
At 1 July 2024	247,045	-	247,045
Charge for the financial year (Note 25)	90,459	-	90,459
Reversal of impairment loss (Note 25)	(222,536)	-	(222,536)
At 30 June 2025	114,968	-	114,968
At 1 July 2023	215,879	-	215,879
Charge for the financial year (Note 25)	31,472	-	31,472
Reversal of impairment loss (Note 25)	(306)	-	(306)
At 30 June 2024	247,045	-	247,045

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

The Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than twelve (12) months as deemed credit impaired and assesses for their risk of loss individually.

The Group has identified the Gross Domestic Product ("GDP"), Overnight Policy Interest Rate ("OPR"), retail sales growth, unemployment rate and inflation rate as the key macroeconomic factors in determining the lifetime expected credit loss for trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

12. TRADE AND OTHER RECEIVABLES (continued)

- (g) The credit risk exposures and concentration relating to trade receivables of the Group as at the end of the reporting period are summarised as follows:

	Group	
	2025 RM	2024 RM
Maximum exposure	2,850,084	4,891,923
Impairment losses	(114,968)	(247,045)
Net exposure to credit risk	2,735,116	4,644,878

During the financial year, the Group did not renegotiate the terms of any trade receivables.

- (h) Impairment for other receivables and deposits are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ("12-month") expected credit losses are recognised while interest income is recognised on a gross basis. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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

The Group defines significant increase in credit risk based on the operating performance of the receivables, changes in contractual terms, payment trends and past due information. A significant increase in credit risk is presumed if contractual payments are more than 150 days past due.

The probability of non-payment by other receivables and deposits are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the 12-month or lifetime expected credit loss for other receivables and deposits. The Group has identified the GDP, OPR, retail sales growth, unemployment rate and inflation rate as the key macroeconomic factors of the forward-looking information.

It requires management to exercise significant judgement in determining the probability of default by other receivables and deposits, appropriate forward-looking information and significant increase in credit risk.

- (i) The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

NOTES TO THE FINANCIAL STATEMENTS

12. TRADE AND OTHER RECEIVABLES (continued)

(j) The reconciliation of movements in the impairment losses on other receivables are as follows:

Group	12-month ECL RM	Lifetime ECL - credit impaired RM	Total allowance RM
At 1 July 2024/30 June 2025	29,850	-	29,850
At 1 July 2023	29,902	-	29,902
Reversal of impairment loss (Note 25)	(52)	-	(52)
At 30 June 2024	29,850	-	29,850
Company		Lifetime ECL - credit impaired RM	Total allowance RM
At 1 July 2024/30 June 2025		-	-
At 1 July 2023/30 June 2024		-	-

(k) Information on financial risks of trade and other receivables is disclosed in Note 32 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

13. CONTRACT ASSETS

	2025 RM	Group 2024 RM
Contract assets	1,843,530	-
Less: Impairment losses	(8,641)	-
	1,834,889	-

- (a) Contract assets are a right to consideration, the fair values at initial recognition, in exchange for goods or services that the Group has transferred to a customer before the billing is issued.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer typically within 30 days.

- (b) Contract assets are denominated in RM.
- (c) Information on financial risks of contract assets is disclosed in Note 32 to the financial statements.
- (d) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 12(e) to the financial statements.

The reconciliation of movements in the impairment losses on contract assets are as follows:

Group	Lifetime ECL allowance 2025 RM	2024 RM
At beginning of financial year	-	-
Charge for the year (Note 25)	8,641	-
At the end of financial year	8,641	-

14. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	18,536,111	38,928,262	8,837,037	8,523,439
Deposits with a licensed bank	43,096,916	8,035,000	15,718,916	1,800,000
	61,633,027	46,963,262	24,555,953	10,323,439

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

14. CASH AND BANK BALANCES (continued)

(b) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	61,460,748	46,777,078	24,541,441	10,308,028
Vietnamese Dong	2,829	2,829	88	88
United States Dollar	25,080	25,598	2,778	3,677
Chinese Renminbi	32,936	46,323	3,214	3,214
Indonesian Rupiah	743	743	99	99
Others	110,691	110,691	8,333	8,333
	61,633,027	46,963,262	24,555,953	10,323,439

(c) For the purpose of statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	18,536,111	38,928,262	8,837,037	8,523,439
Deposits with a licensed bank (not more than three (3) months)	43,096,916	8,035,000	15,718,916	1,800,000
	61,633,027	46,963,262	24,555,953	10,323,439

(d) No expected credit loss is recognised arising from cash and banks and deposits with financial institutions because the probability of default by these financial institutions is negligible.

(e) Information on financial risks of cash and bank balances is disclosed in Note 32 to the financial statements.

15. SHORT TERM FUNDS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fair value through profit or loss				
Short term funds	36,608,696	9,090,851	15,536,644	-

(a) Short term funds are classified as fair value through profit or loss pursuant to *MFRS 9 Financial Instruments*.

(b) Short term funds of the Group and of the Company represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

15. SHORT TERM FUNDS (continued)

(c) The fair values of short term funds are categorised as Level 1 in fair value hierarchy. The fair values of short term funds are determined by reference to the quoted prices at the close of business at the end of each reporting period. There was no transfer between levels in the fair value hierarchy during the financial year. The short term funds of the Group and of the Company are denominated in RM.

(d) Information on financial risks of short term funds is disclosed in Note 32 to the financial statements.

16. SHARE CAPITAL

	Group and Company			
	2025	2024	2025	2024
	Number of shares	Amount RM	Number of shares	Amount RM
Ordinary shares:				
Issued and fully paid				
Balance as at 1 July	805,651,400	68,000,000	805,651,400	68,000,000
Issuance of ordinary shares	171,865,700	46,403,739	-	-
Less: Share issuance expenses	-	(962,207)	-	-
Balance as at 30 June	977,517,100	113,441,532	805,651,400	68,000,000

On 16 December 2024, the Company issued and allocated 171,865,700 new ordinary shares in conjunction with the IPO of the Company at an issue price of RM0.27 per ordinary share.

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

There is no par value for the ordinary shares. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at general meeting of the Company as prescribed in the Constitution of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

17. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable				
Fair value reserve	(3,856,045)	910,535	-	-
Distributable				
Retained earnings	49,517,612	42,767,219	26,332,792	29,495,507
	45,661,567	43,677,754	26,332,792	29,495,507

(a) Fair value reserve

The fair value reserve arises from the fair value gain/(loss) on the quoted investment.

NOTES TO THE FINANCIAL STATEMENTS

18. BORROWINGS

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Secured					
Current liabilities					
Term loans	19	914,652	857,402	837,157	782,440
Financial guarantee contracts		-	-	-*	-
		914,652	857,402	837,157	782,440
Non-current liabilities					
Term loans	19	5,401,063	6,638,152	5,401,063	6,638,152
Total borrowings	19	6,315,715	7,495,554	6,238,220	7,420,592

* Amount is negligible.

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) Financial guarantee contracts issued by the Company are those contracts that require payments to be made to reimburse the holders for losses they incur because the specified debtors fail to make payments when due in accordance with the terms of the debt instruments. Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:
- (i) The amount of the loss allowance; and
 - (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

The financial guarantee contracts have not been recognised since the fair value on initial recognition was not material as the guarantees are provided as credit enhancements to the secured borrowings of the subsidiaries.

- (c) Information on financial risks of borrowings is disclosed in Note 32 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

18. BORROWINGS (continued)

(d) Reconciliation of liabilities from financing activities:

	Term loans (Note 19) RM
Group	
At 1 July 2024	7,495,554
Non-cash flows	3,908
Cash flows:	
- Net repayments of borrowings	(1,183,747)
At 30 June 2025	6,315,715
Company	
At 1 July 2024	7,420,592
Non-cash flows	-
Cash flows:	
- Net repayments of borrowings	(1,182,372)
At 30 June 2025	6,238,220
	Term loans (Note 19) RM
Group	
At 1 July 2023	19,700,658
Non-cash flows	23,734
Cash flows:	
- Net repayments of borrowings	(12,228,838)
At 30 June 2024	7,495,554
Company	
At 1 July 2023	8,602,764
Non-cash flows	-
Cash flows:	
- Net repayments of borrowings	(1,182,172)
At 30 June 2024	7,420,592

NOTES TO THE FINANCIAL STATEMENTS

19. TERM LOANS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Secured				
Term loan I is repayable as follows:				
- 240 equal monthly instalments of RM91,894 each commencing December 2014	6,238,220	7,420,592	6,238,220	7,420,592
Term loan II is repayable as follows:				
- 240 monthly instalments of RM72,890 each commencing March 2023	77,495	74,962	-	-
	6,315,715	7,495,554	6,238,220	7,420,592
Repayable as follows:				
Current liabilities				
- not later than one (1) year	914,652	857,402	837,157	782,440
Non-current liabilities				
- later than one (1) year but not later than five (5) years	3,754,389	3,509,000	3,754,389	3,509,000
- later than five (5) years	1,646,674	3,129,152	1,646,674	3,129,152
	5,401,063	6,638,152	5,401,063	6,638,152
	6,315,715	7,495,554	6,238,220	7,420,592

- (a) Term loan I is secured by means of legal charges over freehold land and building, which are recognised as property, plant and equipment of the Group (Note 5) and investment properties of the Company (Note 7).
- (b) Term loan II is secured by means of legal charges over freehold land and building of the Group (Note 5) and is guaranteed by the Company.

NOTES TO THE FINANCIAL STATEMENTS

20. PROVISION FOR RESTORATION COSTS

	2025 RM	Group 2024 RM
Non-current		
Provision for restoration costs	1,227,889	1,360,737
Current		
Provision for restoration costs	285,789	120,508
	1,513,678	1,481,245

- (a) Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (b) Provision for restoration costs comprises estimates of reinstatement costs for leased outlets upon termination of tenancy. Provision for restoration costs is included in the carrying amounts of right-of-use assets.
- (c) A reconciliation of the provision for restoration costs is as follows:

	Note	2025 RM	Group 2024 RM
At 1 July 2024/2023		1,481,245	1,476,866
Reversal in provision for restoration costs		(33,105)	(15,795)
Recognised in right-of-use assets	6(f)	14,125	-
Recognised in profit or loss			
- unwinding of discount on provision for restoration costs	25	51,413	20,174
At 30 June 2025/2024		1,513,678	1,481,245

21. TRADE AND OTHER PAYABLES

	2025 RM	Group 2024 RM	Company 2025 RM	2024 RM
Trade payables				
Third parties	296,523	-	-	-
Other payables, deposits and accruals				
Other payables	407,755	988,781	1,906	93,958
Deposits	41,790	41,990	-	-
Accruals	3,817,474	4,986,306	190,197	67,390
	4,267,019	6,017,077	192,103	161,348
	4,563,542	6,017,077	192,103	161,348

NOTES TO THE FINANCIAL STATEMENTS

21. TRADE AND OTHER PAYABLES (continued)

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group were 30 to 60 days (2024: 30 to 60 days).
- (c) Information on financial risks of trade and other payables is disclosed in Note 32 to the financial statements.
- (d) The currency exposure profile of payables are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	4,563,525	5,975,106	192,103	161,348
Others	17	41,971	-	-
	4,563,542	6,017,077	192,103	161,348

22. CAPITAL COMMITMENTS

	Group	
	2025 RM	2024 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
Approved and contracted for	1,130,813	820,770

23. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers				
Sale of goods	98,868,707	104,844,799	-	-
Others				
Rental income	-	-	1,213,800	1,213,800
Dividend income from unquoted investments in subsidiaries	-	-	9,900,000	11,100,000
	98,868,707	104,844,799	11,113,800	12,313,800
Timing of revenue Recognition				
Transferred at a point in time	98,868,707	104,844,799	-	-
Others	-	-	11,113,800	12,313,800
	98,868,707	104,844,799	11,113,800	12,313,800

NOTES TO THE FINANCIAL STATEMENTS

23. REVENUE (continued)

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group.

	Retailing RM
30 June 2025	
Major products and service lines	
Sale of goods	98,868,707
Geographical markets	
Malaysia	98,868,707
Total revenue from contracts with customers	98,868,707
Timing of revenue recognition	
Transferred at a point in time	98,868,707
30 June 2024	
Major products and service lines	
Sale of goods	104,844,799
Geographical markets	
Malaysia	104,844,799
Total revenue from contracts with customers	104,844,799
Timing of revenue recognition	
Transferred at a point in time	104,844,799

- (a) Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

- (i) Sale of goods

Revenue from sales of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

The contracts for the sales of goods provide customers with a right of return the goods within a specified period. No refund liability is recognised arising from the right of return as it is negligible.

There is no significant financing component in the revenue arising from sales of products and services rendered as the products and services are made on normal credit terms not exceeding twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS

23. REVENUE (continued)

Disaggregation of revenue from contracts with customers (continued)

- (a) Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers (continued):

- (ii) Management fee

Management fee is recognised at a point in time when management services are rendered and accepted by subsidiaries.

- (b) Revenue recognition not in relation to performance obligations is describes below:

- (i) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

- (ii) Interest income

Interest income is recognised as it accrues, using the effective interest method.

- (iii) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

24. COST OF SALES

	2025 RM	Group 2024 RM
Inventories sold	36,374,715	38,982,568

NOTES TO THE FINANCIAL STATEMENTS

25. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
After charging:					
Auditors' remuneration:					
- Statutory					
- Auditors of the Company		127,900	118,000	31,900	29,500
- Other audit-related services					
- Auditors of the Company					
- current year		90,700	143,400	66,000	120,000
- overprovision in prior year		-	(1,350)	-	-
Impairment losses on:					
- property, plant and equipment	5	498,834	276,446	-	-
- right-of-use assets	6	1,025,037	202,419	-	-
- investments in subsidiaries	8	-	-	2,895,368	92,865
Interest expense on:					
- lease liabilities	6	1,122,962	814,637	-	-
- term loans	18(d)	3,908	23,734	-	-
- unwinding of discount for provision for restoration costs	20	51,413	20,174	-	-
Loss on derecognition of foreign subsidiaries					
	8	-	249,548	-	-
Loss on fair value of investment property					
	7	-	-	786,810	-
Loss on fair value of short term funds					
		-	-	2,239	-
Property, plant and equipment written off					
	5	57	96,622	-	-
Written off of investments in subsidiaries					
	8	-	-	-	8,640,090
Reversal of investments in subsidiaries					
	8	-	-	-	(8,640,090)
Realised loss on foreign exchange					
		13,014	10,035	-	-
Rental commission					
		1,350,206	1,725,903	-	-
Rental of premises paid/ payable to third parties					
		6,000	6,000	-	-
Unrealised loss on foreign exchange					
		4,821	3,231	310	33
Reversal of impairment losses on:					
- trade receivables	12	(222,536)	(306)	-	-
- other receivables	12	-	(52)	-	-
Impairment losses on:					
- trade receivables	12	90,459	31,472	-	-
- contract assets	13	8,641	-	-	-
Net (gain)/loss on impairment of financial assets and contract assets					
		(123,436)	31,114	-	-

NOTES TO THE FINANCIAL STATEMENTS

25. PROFIT BEFORE TAX (continued)

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at (continued):

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
And crediting:					
Fair value gain on short term funds, net		27,404	46,374	-	-
Gain on disposal of property, plant and equipment		-	4,999	-	-
Gain on reassessments and modifications of leases	6	12,932	29,613	-	-
Interest income from:					
- deposits with a licensed bank		1,179,842	514,327	638,999	61,669
- short term funds		290,021	111,332	38,883	-
- others		494,530	527,994	32,393	25,589
Realised gain on foreign exchange		6,801	5,891	-	2,936
Rental of premises received/ receivable from:					
- third party		88,500	63,000	-	-
- subsidiaries		-	-	1,213,800	1,213,800
Reversal of impairment losses on right-of-use assets	6	-	408,700	-	-
Unrealised gain on foreign exchange		-	617	-	-

26. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on profit for the financial year	5,797,770	6,873,480	356,000	236,000
Over-provision in prior years	(25,467)	(40,476)	(1,390)	(103)
	5,772,303	6,833,004	354,610	235,897
Deferred tax (Note 10)				
Relating to origination and reversal of temporary differences	(289,000)	119,000	1,000	(2,000)
Under-provision in prior years	31,000	13,000	-	-
	(258,000)	132,000	1,000	(2,000)
	5,514,303	6,965,004	355,610	233,897

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated taxable profits for the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

26. TAX EXPENSE (continued)

- (b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	21,180,539	26,269,982	6,108,738	10,334,828
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	5,083,329	6,304,796	1,466,097	2,480,359
Tax effects in respect of:				
Non-allowable expenses	750,130	981,741	1,276,235	417,641
Non-taxable income	(82,896)	(13,978)	(2,385,332)	(2,664,000)
Utilisation of previously unrecognised tax losses	(241,793)	(280,079)	-	-
	5,508,770	6,992,480	357,000	234,000
(Over)/Under-provision in prior years				
- current tax	(25,467)	(40,476)	(1,390)	(103)
- deferred tax	31,000	13,000	-	-
	5,514,303	6,965,004	355,610	233,897

- (c) Tax on each component of other comprehensive income is as follows:

	<----- Group ----->		
	Before tax RM	Tax effect RM	After tax RM
2025			
Item that will not be reclassified subsequently to profit or loss			
Fair value adjustment on other investments	(4,766,580)	-	(4,766,580)
2024			
Item that has reclassified to profit or loss			
Derecognition of foreign subsidiaries	249,548	-	249,548

NOTES TO THE FINANCIAL STATEMENTS

27. EARNINGS PER SHARE

(a) Basic

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

	2025	Group 2024
Profit attributable to equity holders of the parent (RM)	15,666,236	19,304,978
Weighted average number of ordinary shares applicable to basic earnings per ordinary share	897,470,062	805,651,400
Basic earnings per ordinary share for profit for the financial year (sen)	1.75	2.40

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there were no dilutive potential ordinary shares outstanding during the financial year.

28. DIVIDENDS

	Company			
	Dividend per share Sen	2025 Amount of dividend RM	Dividend per share Sen	2024 Amount of dividend RM
In respect of the financial year ended 30 June 2024:				
Single tier interim dividend, paid on 15 September 2023	-	-	0.50	4,028,257
Single tier interim dividend, paid on 20 March 2024	-	-	0.50	4,028,257
In respect of the financial year ended 30 June 2025:				
Single tier interim dividend, paid on 7 August 2024	0.50	4,028,257	-	-
Single tier interim dividend, paid on 26 March 2025	0.50	4,887,586	-	-
	1.00	8,915,843	1.00	8,056,514

NOTES TO THE FINANCIAL STATEMENTS

28. DIVIDENDS (continued)

The Directors do not recommend any final dividend in respect of financial year ended 30 June 2025.

On 25 August 2025, the Board of Directors declared a single tier interim dividend of 0.50 sen per ordinary share amounted to approximately RM4,887,586 in respect of the financial year ending 30 June 2026, that was paid on 25 September 2025 to the shareholders whose names appeared in the Record of Depositors of the Company as at 10 September 2025. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2026.

29. EMPLOYEE BENEFITS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Wages, salaries and bonuses	10,530,449	8,686,151	201,000	59,500
Contributions to defined contribution plan	1,585,423	1,382,482	3,990	780
Social security contributions	223,938	195,442	-	-
Other benefits	3,598,033	3,298,231	48,000	20,200
	15,937,843	13,562,306	252,990	80,480

Included in the employee benefits of the Group and of the Company are Directors' remuneration as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fees	225,000	83,500	201,000	59,500
Short term employee benefits	1,631,968	1,557,857	48,000	20,200
Contributions to defined contribution plan	196,758	188,029	3,990	780
	2,053,726	1,829,386	252,990	80,480

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Group and the Company include:

- (i) Its subsidiaries;
- (ii) Any entities with joint control of, or significant influence over the Company; and
- (iii) Key management personnel of the Company.

Related parties other than those disclosed elsewhere in the financial statements and their relationship with the Group are as follows:

Related parties	Relationship
Bonia International Holdings Pte. Ltd.	A company in which a substantial shareholder of the Company, has substantial financial interests.

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Received/receivable from subsidiaries				
Dividends	-	-	9,900,000	11,100,000
Rental income	-	-	1,213,800	1,213,800
Administrative fees	-	-	176	11,982
Paid/payable to a subsidiary				
Administrative fees	-	-	10	13
Paid/payable to other related parties				
Royalties				
- Bonia International Holdings Pte. Ltd.	165,560	174,658	-	-
Paid/payable to the contractual landlord, of which the ultimate ownership of the premises belongs to a company* where a substantial shareholder has interest				
Rental	729,107	625,272	-	-

* Purnama Sejahtera Sdn. Bhd.

Save for the dividends received from the subsidiaries, the related parties transactions described above were carried out in the normal course of business and have been established under negotiated and mutually agreed terms.

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTIES DISCLOSURES (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fees	225,000	83,500	201,000	59,500
Short term employee benefits	2,151,508	1,791,384	48,000	20,200
Contributions to defined contribution plan	232,582	215,965	3,990	780
	2,609,090	2,090,849	252,990	80,480

31. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged since the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2025 and 30 June 2024.

The Group monitors capital using gearing ratios, i.e. gearing ratio and net gearing ratio. Gearing ratio represents borrowings and lease liabilities owing to a financial institution divided by total capital whereas net gearing ratio represents borrowings less cash and bank balances and short term funds divided by total capital. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Borrowings	6,315,715	7,495,554	6,238,220	7,420,592
Less: Cash and bank balances	(61,633,027)	(46,963,262)	(24,555,953)	(10,323,439)
Less: Short term funds	(36,608,696)	(9,090,851)	(15,536,644)	-
	(91,926,008)	(48,558,559)	(33,854,377)	(2,902,847)
Total capital	159,103,099	111,677,754	139,774,324	97,495,507
Gearing (times) ⁽¹⁾	0.04	0.07	0.04	0.08
Net gearing ratio ⁽²⁾	N/A	N/A	N/A	N/A

⁽¹⁾ without taking cash and bank balances and short term funds into consideration

⁽²⁾ taking cash and bank balances and short term funds into consideration

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (continued)

(a) Capital management (continued)

Pursuant to Practice Note No. 17/2005 issued by Bursa Securities, the Group is required to maintain a consolidated shareholders' equity of more than the twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 June 2025.

The Group is not subject to any other externally imposed capital requirements.

(b) Financial instruments

Group	Fair value through profit or loss RM	Fair value through OCI RM	Amortised cost RM	Total RM
2025				
Financial assets				
Trade and other receivables, net of prepayments	-	-	7,161,337	7,161,337
Other investments	-	-	-	-
Cash and bank balances	-	-	61,633,027	61,633,027
Short term funds	36,608,696	-	-	36,608,696
	36,608,696	-	68,794,364	105,403,060
Financial liabilities				
Borrowings	-	-	6,315,715	6,315,715
Trade and other payables	-	-	4,563,542	4,563,542
	-	-	10,879,257	10,879,257
Company				
2025				
Financial assets				
Trade and other receivables, net of prepayments	-	-	108,650	108,650
Cash and bank balances	-	-	24,555,953	24,555,953
Short term funds	15,536,644	-	-	15,536,644
	15,536,644	-	24,664,603	40,201,247
Financial liabilities				
Borrowings	-	-	6,238,220	6,238,220
Trade and other payables	-	-	192,103	192,103
	-	-	6,430,323	6,430,323

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

Group	Fair value through profit or loss RM	Fair value through OCI RM	Amortised cost RM	Total RM
2024				
Financial assets				
Trade and other receivables, net of prepayments	-	-	9,153,458	9,153,458
Other investments	-	4,766,580	-	4,766,580
Cash and bank balances	-	-	46,963,262	46,963,262
Short term funds	9,090,851	-	-	9,090,851
	9,090,851	4,766,580	56,116,720	69,974,151
Financial liabilities				
Borrowings	-	-	7,495,554	7,495,554
Trade and other payables	-	-	6,017,077	6,017,077
	-	-	13,512,631	13,512,631
Company			Amortised cost RM	Total RM
2024				
Financial assets				
Trade and other receivables, net of prepayments			86,527	86,527
Cash and bank balances			10,323,439	10,323,439
			10,409,966	10,409,966
Financial liabilities				
Borrowings			7,420,592	7,420,592
Trade and other payables			161,348	161,348
			7,581,940	7,581,940

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and liabilities, such as cash and cash equivalents, trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (continued)

(c) Methods and assumptions used to estimate fair value (continued)

The fair values of financial assets and financial liabilities are determined as follows: (continued)

ii. Unquoted shares

The fair values of these unquoted investments are estimated by using net asset valuation technique based on the individual investees' latest available financial statements obtained. Management believes that the estimated fair values resulting from this valuation technique are reasonable and the most appropriate at the end of the reporting period.

iii. Quoted shares

The fair value of quoted shares in Malaysia is determined by reference to the exchange quoted market price at the close of the business on the reporting date, take into account the market-available information as disclosed in Note 31(d)(ii).

iv. Financial guarantees

The Company provides corporate guarantees to financial institutions and certain third parties for banking facilities utilised and tenancy agreements entered into by certain subsidiaries. The fair values of such corporate guarantees are negligible as the probability of the subsidiaries defaulting on the banking facilities and tenancy agreements are remote.

(d) i. Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The unquoted shares are estimated using adjusted net asset valuation technique based on the investee's latest available financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (continued)

(d) i. Fair value hierarchy (continued)

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

Group	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM	
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM			
2025											
Financial asset											
Fair value through profit or loss											
- Short term funds	36,608,696	-	-	36,608,696	-	-	-	-	36,608,696	36,608,696	
Fair value through other comprehensive income											
- Other investment	-	-	-	-	-	-	-	-	-	-	-
2024											
Financial asset											
Fair value through profit or loss											
- Short term funds	9,090,851	-	-	9,090,851	-	-	-	-	9,090,851	9,090,851	
Fair value through other comprehensive income											
- Other investment	4,766,580	-	-	4,766,580	-	-	-	-	4,766,580	4,766,580	

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (continued)

- (d) i. Fair value hierarchy (continued)

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

Company	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2025										
Financial asset										
Fair value through profit or loss										
- Short term funds	15,536,644	-	-	15,536,644	-	-	-	-	15,536,644	15,536,644
2024										
Financial asset										
Fair value through profit or loss										
- Short term funds	-	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (continued)

(d) ii. Transfer Between Levels of Fair Value Hierarchy, Valuation Technique and Unobservable Inputs (Level 3)

During the financial year ended 30 June 2025, the Group transferred its investment in equity shares of Carzo Holding Berhad ("Carzo"), previously classified under Level 1, to Level 3 of the fair value hierarchy.

The reclassification was prompted by a change in market conditions, arising from adverse developments concerning Carzo. From a market participant perspective, considering all publicly available adverse information, there is no indication of observable market transactions or active interest in the shares as at the reporting date. Given these circumstances, the fair value of the investment has been assessed at RM Nil, reflecting the absence of recoverable value. Consequently, a Level 3 fair value measurement hierarchy is deemed equally or more representative of fair value. This assessment takes into account the following factors:

- Carzo's inability to generate future cash flows following its announcement to cease principal activities in November 2024;
- Ongoing legal and financial distress; and
- Imminent delisting with no restructuring plans in place.

In view of these factors, the Group concluded that there is no realistic exit strategy or recoverable value from the investment. As such, quoted prices no longer reflected an orderly or active market, and the fair value had to be determined using unobservable inputs, in accordance with MFRS 13.

As there were no reliable future cash flows or asset values to support any recoverable amount, the fair value was measured at RM Nil, representing a Level 3 input based on market participant assumptions.

On 2 October 2025, Bursa Securities decided to suspend trading of Carzo's securities and subsequently de-list Carzo in accordance with Rule 6.06(3) of the LEAP Market Listing Requirements.

On 9 October 2025, Carzo announced that it will not appeal Bursa Securities' decision to de-list the company.

Upon the de-listing of the Company, Carzo will continue to operate as an unlisted entity. The Group views this development as consistent with its prior assessment that there is no recoverable value from the investment.

iii. Reconciliation of Fair Value Measurement – Level 3 (FVOCI)

	RM
Opening balance as at 1 July 2024 (Level 1)	4,766,580
Fair value loss recognised in OCI	(4,766,580)
Closing balance as at 30 June 2025	-

A total fair value loss of RM4,766,580 was recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to safeguard the shareholders' investment and the Group's assets whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within established risk management and internal control framework and clearly defined guidelines that are regularly reviewed by the Board of Directors. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and market price risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Credit risk is the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Group.

Cash deposits, contract assets, trade and other receivables and financial guarantees given to banks for banking facilities granted to subsidiaries could give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade and other receivables. The trading terms of the Group with its customers are mainly on credit, except for boutique sales, where the transactions are done on cash term. The credit period is generally for a period of 15 to 60 days (2024: 15 to 60 days). Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

As at the end of each reporting period, no collateral has been obtained by the Group. The maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of each reporting period, the Group has no significant concentration of balance other than RM1,455,115 (2024: RM2,682,106) owing from two (2) (2024: two (2)) major customers.

(ii) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets as and when they fall due.

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk (continued)

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
As at 30 June 2025				
Group				
Financial liabilities				
Trade and other payables	4,563,542	-	-	4,563,542
Borrowings	1,180,548	4,410,912	1,708,453	7,299,913
Lease liabilities	8,053,851	15,425,393	395,673	23,874,917
Total undiscounted financial liabilities	13,797,941	19,836,305	2,104,126	35,738,372
Company				
Financial liabilities				
Other payables	192,103	-	-	192,103
Borrowings	1,102,728	4,410,912	1,708,453	7,222,093
Financial guarantee*	77,495	-	-	77,495
Total undiscounted financial liabilities	1,372,326	4,410,912	1,708,453	7,491,691
As at 30 June 2024				
Group				
Financial liabilities				
Trade and other payables	6,017,077	-	-	6,017,077
Borrowings	1,177,993	4,410,912	3,356,110	8,945,015
Lease liabilities	6,714,600	15,854,892	1,307,579	23,877,071
Total undiscounted financial liabilities	13,909,670	20,265,804	4,663,689	38,839,163
Company				
Financial liabilities				
Other payables	161,348	-	-	161,348
Borrowings	1,102,728	4,410,912	3,356,110	8,869,750
Financial guarantee*	74,962	-	-	74,962
Total undiscounted financial liabilities	1,339,038	4,410,912	3,356,110	9,106,060

* This disclosure represents the maximum liquidity risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk

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

The exposure of the Group and of the Company to interest rate risk arises primarily from deposits with a licensed bank, lease liabilities and interest-bearing borrowings. The Group does not use derivative financial instruments to hedge this risk.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if interest rates at the end of each reporting period changed by fifty (50) basis points with all other variables held constant:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit after tax				
- increased by 0.5% (2024: 0.5%)	195,681	(46,341)	95,066	(21,358)
- decreased by 0.5% (2024: 0.5%)	(195,681)	46,341	(95,066)	21,358
Equity				
- increased by 0.5% (2024: 0.5%)	-	-	-	-
- decreased by 0.5% (2024: 0.5%)	-	-	-	-

The sensitivity of the Group is higher in 2025 than in 2024 because increase in deposits with a licensed bank and short term funds and decrease in borrowings during the financial year.

The sensitivity of the Company is higher in 2025 than in 2024 because of the decrease in borrowings and increase in deposits with a licensed bank and short term funds during the financial year.

The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
Group									
At 30 June 2025									
Fixed rates									
Deposits with a licensed bank	14	3.04	43,096,916	-	-	-	-	-	43,096,916
Lease liabilities	6	4.72*	(7,212,993)	(5,176,945)	(3,975,062)	(2,959,124)	(2,179,247)	(391,581)	(21,894,952)
Floating rates									
Short term funds	15	3.37	36,608,696	-	-	-	-	-	36,608,696
Term loans	19	4.52 - 4.72	(914,652)	(875,898)	(916,433)	(958,843)	(1,003,215)	(1,646,674)	(6,315,715)

* Incremental borrowing rate

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk: (continued)

	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
Group									
At 30 June 2024									
Fixed rates									
Deposits with a licensed bank	14	2.97	8,035,000	-	-	-	-	-	8,035,000
Lease liabilities	6	3.27 - 4.72*	(5,905,339)	(5,432,836)	(3,998,572)	(3,088,971)	(2,114,029)	(1,285,570)	(21,825,317)
Floating rates									
Short term funds	15	2.73	9,090,851	-	-	-	-	-	9,090,851
Term loans	19	4.52 - 4.72	(857,402)	(818,649)	(856,534)	(896,172)	(937,645)	(3,129,152)	(7,495,554)

* Incremental borrowing rate

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk: (continued)

	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
Company									
At 30 June 2025									
Fixed rate									
Deposits with a licensed bank	14	3.13	15,718,916	-	-	-	-	-	15,718,916
Floating rate									
Short term funds	15	2.96	15,536,644	-	-	-	-	-	15,536,644
Term loan	19	4.52	(837,157)	(875,898)	(916,433)	(958,843)	(1,003,215)	(1,646,674)	(6,238,220)
At 30 June 2024									
Fixed rate									
Deposits with a licensed bank	14	2.97	1,800,000	-	-	-	-	-	1,800,000
Floating rate									
Term loan	19	4.52	(782,440)	(818,649)	(856,534)	(896,172)	(937,645)	(3,129,152)	(7,420,592)

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Foreign currency exchange risk

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

The Group is exposed to foreign currency exchange risk as a result of certain transactions of the Group which are denominated in foreign currencies. The Group monitors the movement in foreign currency exchange rates closely to ensure that their exposures are minimised.

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. At the end of each reporting period, such foreign currency balances amounted to RM172,279 (2024: RM186,184) and RM14,512 (2024: RM15,411) respectively (see Note 14(b) to the financial statements) for the Group and the Company.

The Group did not enter into any material forward foreign exchange contract in the current financial year.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group and the Company to a reasonably possible change in the United States Dollar ("USD"), Indonesian Rupiah ("IDR"), Vietnamese Dong ("VND"), Singapore Dollar ("SGD"), Hong Kong Dollar ("HKD"), Japanese Yen ("JPN") and Renminbi ("RMB") exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

		Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Profit after tax					
USD/RM	- strengthen by 3% (2024: 3%)	1,263	1,275	63	84
	- weaken by 3% (2024: 3%)	(1,263)	(1,275)	(63)	(84)
IDR/RM	- strengthen by 3% (2024: 3%)	17	17	2	2
	- weaken by 3% (2024: 3%)	(17)	(17)	(2)	(2)
VND/RM	- strengthen by 3% (2024: 3%)	65	65	2	2
	- weaken by 3% (2024: 3%)	(65)	(65)	(2)	(2)
SGD/RM	- strengthen by 3% (2024: 3%)	224	696	-	-
	- weaken by 3% (2024: 3%)	(224)	(696)	-	-

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Foreign currency exchange risk (continued)

Sensitivity analysis for foreign currency risk (continued)

The following table demonstrates the sensitivity of the Group and the Company to a reasonably possible change in the United States Dollar ("USD"), Indonesian Rupiah ("IDR"), Vietnamese Dong ("VND"), Singapore Dollar ("SGD"), Hong Kong Dollar ("HKD"), Japanese Yen ("JPN") and Renminbi ("RMB") exchange rates against the respective functional currencies of the Group entities, with all other variables held constant (continued):

		Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Profit after tax					
HKD/RM	- strengthen by 3% (2024: 3%)	330	289	35	35
	- weaken by 3% (2024: 3%)	(330)	(289)	(35)	(35)
JPN/RM	- strengthen by 3% (2024: 3%)	1,052	1,052	-	-
	- weaken by 3% (2024: 3%)	(1,052)	(1,052)	-	-
RMB/RM	- strengthen by 3% (2024: 3%)	751	1,056	73	73
	- weaken by 3% (2024: 3%)	(751)	(1,056)	(73)	(73)

The exposure to the other currencies are not significant, hence the effects of changes in exchange rates are not presented.

The impact of foreign currencies on equity is not significant, hence it is not presented.

(v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to market price risk arising from its investments in short term funds.

Sensitivity analysis of market price risk for short term fund is not presented as the market price volatility of the short term fund is low.

NOTES TO THE FINANCIAL STATEMENTS

33. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

33.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

33.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards and Amendments of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company:

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

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF REPORTING PERIOD

(a) On 14 August 2023, the Company announced that:

- it proposed to undertake the transfer of the listing and quotation of the entire enlarged issued share capital of the Company from the LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("LEAP Market") to the ACE Market of Bursa Securities ("Transfer of Listing"); and the withdrawal of the Company's listing from the official list of the LEAP Market pursuant to Rule 8.06 of the LEAP Market Listing Requirements of Bursa Securities ("Withdrawal of Listing"); and
- it has, on the same day received a letter from Dato' Sri Chiang Fong Yee, Chiang Sang Sem and Freeway Team Sdn. Bhd. (collectively, "Joint Offerors") to undertake a pre-conditional voluntary general offer to acquire all the remaining ordinary shares of the Company not already held by the Joint Offerors ("Offer Shares") ("Exit Offer") for a cash consideration of RM0.23 per Offer Share ("Exit Offer Price") to facilitate the Transfer and Withdrawal of Listing.

NOTES TO THE FINANCIAL STATEMENTS

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF REPORTING PERIOD (continued)

(a) (continued)

On 15 August 2023, MainStreet Advisers Sdn. Bhd. was appointed by the Company as its independent adviser to advise and make recommendations for the consideration of the Company's shareholders in connection with the Transfer and Withdrawal of Listing as well as the fairness and reasonableness of the Exit Offer.

On 15 July 2024, the Company announced that the Exit Offer Price has been adjusted from RM0.220 to RM0.215 per Offer Share after taking into consideration the interim single tier dividend of 0.5 sen per CRG Share in respect of the financial year ending 30 June 2025 with entitlement date on 24 July 2024 and paid by the Company on 7 August 2024.

- (b) On 31 July 2024, the Company announced that all the resolutions set forth in the Notice of Extraordinary General Meeting ("EGM") dated 9 July 2024 in relation to the adoption of a new constitution of the Company and proposed issuance and allotment of new CRG Shares to Independent Non-Executive Directors of the Company were duly passed by way of poll at the EGM of the Company held on the same day.
- (c) On 31 July 2024, the Company announced that the Ministry of Investment, Trade and Industry ("MITI") had, vide its letter dated 31 July 2024 agreed with the scheme for the IPO of CRG Shares which would result in an enlarged share capital of 977,517,100 CRG Shares and the Company has complied with the Bumiputera Equity Requirement for Public Listed Companies whereby 122,189,700 CRG Shares, which representing 12.50% of the Company's enlarged issued share capital to be allocated to Bumiputera investors approved by MITI.
- (d) On 12 August 2024, the Company announced that Bursa Securities had, vide its letter dated 12 August 2024, approved the transfer of listing of and quotation for the entire enlarged issued share capital of the Company comprising 977,517,100 CRG Shares on the ACE Market and to grant approval-in-principle for registration of the listing prospectus of the Company ("Transfer of Listing").
- (e) On 16 August 2024, the Company announced that the Securities Commission Malaysia had, vide its letter dated 13 August 2024 which was received by the Company on even date, approved the resultant equity structure of the Company under the equity requirement for public listed companies pursuant to the Transfer of Listing.
- (f) On 22 August 2024, the Company announced that Bursa Securities had, vide its letter dated 22 August 2024, approved the application for the Withdrawal of Listing.
- (g) On 22 August 2024, the Company received a notice of unconditional voluntary take-over offer ("Notice") from TA Securities Holdings Berhad, on behalf of the Joint Offerors, to undertake the Exit Offer to acquire all the Offer Shares for a cash consideration of RM0.215 per Offer Share to facilitate the Transfer of Listing and Withdrawal of Listing. The Notice was despatched to shareholders of the Company on 28 August 2024.
- (h) On 29 August 2024, the Company announced that it had received an addendum to the Notice dated 29 August 2024 from TA Securities Holdings Berhad, on behalf of the Joint Offerors.
- (i) On 10 October 2024, the Company's wholly owned subsidiary, CRI had entered into a sale and purchase agreement with a third party in relation to the acquisition of a unit of 3-storey pre-war shophouse erected on a piece of freehold land held under Geran 21151, Lot 43, Kawasan Bandar XVI, Daerah Melaka Tengah, Negeri Melaka, measuring 947 square feet for a total cash purchase consideration of RM2,590,000. The acquisition was completed during the financial year 2025.

NOTES TO THE FINANCIAL STATEMENTS

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF REPORTING PERIOD (continued)

- (j) On 28 November 2024, the Company issued its prospectus in relation to the IPO in conjunction with the Transfer of Listing comprising public issue of 171,865,700 new Shares ("Issue Shares") in the following manner:
- (a) 48,876,000 Issue Shares made available for application by the Malaysian public;
 - (b) 800,000 Issue Shares made available for application by Independent Non-Executive Directors of the Company; and
 - (c) 122,189,700 Issue Shares made available by way of private placement to Bumiputera investors as approved by the MITI.

The listing and quotation for the entire issued share capital of the Company of 977,517,100 shares was transferred from the LEAP Market of Bursa Securities to the ACE Market of Bursa Securities on 18 December 2024.

- (k) On 31 March 2025, the Company subscribed for an additional 15,000,000 ordinary shares in the share capital of ISSB at an issue price of RM1.00 per share by way of cash subscription.

LIST OF PROPERTIES HELD BY CARLO RINO GROUP AS AT 30 JUNE 2025

Location of property/ Date of Acquisition	Description/ Existing use	Land Area/ Built-up Area (sq.ft.)	Tenure	Approximate Age of Building (Year)	Carrying Amount (RM)
<u>Carlo Rino Group Berhad</u> Geran 320522, Lot 34554 Block C, Platinum Cheras, Jalan Cheras Zen 1A, Taman Platinum Cheras, 43200 Cheras, Selangor <u>Date of Acquisition:</u> 6-storey office building • 14 May 2013 92 units of parking bays • 28 November 2014	<u>Description:</u> 6-storey office building together with 92 units of parking bays <u>Existing use:</u> Warehouse	<u>Master land area:</u> 65,294 <u>Built-up area</u> (for 6-storey office building): 41,873	Freehold	11	19,079,893
<u>Imbi Strada Sdn. Bhd.</u> Geran 34048, Lot 620 No. 217, Jalan Imbi, 55100 Kuala Lumpur <u>Date of Acquisition:</u> 21 December 2022	<u>Description:</u> Vacant land <u>Existing use:</u> Temporary carpark lots	<u>Land area:</u> 9,175 <u>Built-up area:</u> N/A	Freehold	N/A	17,370,400
<u>CRI Sdn. Bhd.</u> Geran 21151, Lot 43 No.11, Lorong Hang Jebat, 75200 Melaka <u>Date of Acquisition:</u> 10 October 2024	<u>Description:</u> 1 unit of 3-storey pre-war shophouse <u>Existing use:</u> Vacant	<u>Land area:</u> 947 <u>Built-up area:</u> 2,772	Freehold	#	2,550,000

Unable to determine as it is a pre-war UNESCO Heritage Building

ANALYSIS OF SHAREHOLDINGS

AS AT 01 OCTOBER 2025

Class of shares	:	Ordinary shares
Number of issued shares	:	977,517,100
Voting rights	:	1 vote per ordinary share held on a poll
		1 vote per shareholder/proxy/corporate representative on a show of hands
Number of shareholders	:	5,007

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders		Number of ordinary shares held		Percentage (%)	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100	10	0	284	0	0.00	0.00
100 to 1,000	539	7	273,650	5,000	0.03	0.00
1,001 to 10,000	2,147	20	12,807,070	125,500	1.31	0.01
10,001 to 100,000	1,901	19	70,494,710	494,300	7.21	0.05
100,001 to less than 5% of issued shares	350	10	227,905,970	27,892,800	23.31	2.85
5% and above of issued shares	4	0	637,517,816	0	65.22	0.00
Total	4,951	56	948,999,500	28,517,600	97.08	2.92
Grand Total		5,007		977,517,100		100.00

Note(s):

The above information is based on the Record of Depositors as at 01 October 2025 provided by Bursa Malaysia Depository Sdn. Bhd. and the number of holders reflected is in reference to CDS account numbers

REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Indirect/Deemed Interest	
	Units	Percentage (%)	Units	Percentage (%)
Dato' Sri Chiang Fong Yee	271,571,848	27.78	~	~
Bonia Holdings Sdn. Bhd.	202,875,868	20.75	~	~
Freeway Team Sdn. Bhd.	111,041,200	11.36	~	~
Chiang Sang Sem	54,029,700	5.53	358,361,904 ⁽¹⁾	36.66

Note(s):

⁽¹⁾ Deemed interest by virtue of his interests in Bonia Holdings Sdn. Bhd., Freeway Team Sdn. Bhd., Kontrak Kosmomaz Sdn. Bhd., and Able Wealth Assets Ltd pursuant to Section 8 of the Companies Act 2016

DIRECTORS' SHAREHOLDINGS IN CARLO RINO GROUP BERHAD

Name	Direct Interest		Indirect/Deemed Interest	
	Units	Percentage (%)	Units	Percentage (%)
Vincent Loh	200,000	0.02	~	~
Dato' Sri Chiang Fong Yee	271,571,848	27.78	24,169,542 ⁽¹⁾ & ⁽²⁾	2.47
Lee Chwee Kin	~	~	~	~
Chin Peck Li	200,000	0.02	~	~
Lim Lay Ching	200,000	0.02	~	~
Kam Sin Lin	200,000	0.02	~	~

Note(s):

⁽¹⁾ Indirect interest by virtue of his child's interest pursuant to Section 59(11)(c) of the Companies Act 2016

⁽²⁾ By virtue of his substantial interests in the Company, Dato' Sri Chiang Fong Yee is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest

ANALYSIS OF SHAREHOLDINGS AS AT 01 OCTOBER 2025

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	Units	Percentage (%)
1.	Chiang Fong Yee	271,571,848	27.78
2.	Bonia Holdings Sdn. Bhd.	202,875,868	20.75
3.	Freeway Team Sdn. Bhd.	111,041,200	11.36
4.	Chiang Sang Sem	52,028,900	5.32
5.	Chiang Sing Ho	24,169,542	2.47
6.	Kontrak Kosmomaz Sdn. Bhd.	22,333,736	2.28
7.	UOBM Nominees (Asing) Sdn. Bhd. Beneficiary: United Overseas Bank Nominees (Pte) Ltd. for Able Wealth Assets Ltd.	22,111,100	2.26
8.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Teo Lay Ban	10,783,000	1.10
9.	Bimsec Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Sentosa Jaya Capital Sdn. Bhd.	7,637,700	0.78
10.	Lim Seok Kim	6,650,000	0.68
11.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Teh Beng Khim	6,500,000	0.66
12.	Chiang Heng Pang	5,501,600	0.56
13.	Triple Boutique Sdn. Bhd.	5,500,000	0.56
14.	Ooi Lee Peng	4,487,000	0.46
15.	Chiang Boon Tian	4,078,000	0.42
16.	Chong See Moi	3,950,600	0.40
17.	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Beneficiary: Exempt An for CGS International Securities Singapore Pte. Ltd.	3,774,200	0.39
18.	Cimsec Nominees (Tempatan) Sdn. Bhd. Beneficiary: CIMB for Kwan Yoong Yu	2,999,992	0.31
19.	Pang Nam Ming	2,900,000	0.30
20.	Gan Chin Boon	2,132,200	0.22
21.	Chiang Fong Tat	2,069,400	0.21
22.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Teo Siew Lai	2,007,700	0.21
23.	Leong See Wah	2,000,000	0.20
24.	RHB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Chan Kok San	2,000,000	0.20
25.	Cimsec Nominees (Tempatan) Sdn. Bhd. Beneficiary: CIMB for Yoong Kah Yin	1,960,000	0.20
26.	Cimsec Nominees (Tempatan) Sdn. Bhd. Beneficiary: CIMB for Chiang Fong Seng	1,827,800	0.19
27.	Fong York Siang	1,700,000	0.17
28.	Chiang Sang Bon	1,550,000	0.16
29.	UOBM Nominees (Tempatan) Sdn. Bhd. Beneficiary: United Overseas Bank Nominees (Pte) Ltd for Chiang Sang Sem	1,500,800	0.15
30.	Lim Wei Chien	1,500,000	0.15
Total		791,142,186	80.93

Note(s):

The above information is based on the Record of Depositors as at 01 October 2025 provided by Bursa Malaysia Depository Sdn. Bhd. and without aggregating securities from different securities accounts belonging to the same person

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of Carlo Rino Group Berhad ("CRG" or "Company") will be held at Cheras Hall, Level UG, Silka Cheras Kuala Lumpur, No. 100, Jalan Cheras, Phoenix Business Park, 56000 Kuala Lumpur, Malaysia (<https://www.silkahotels.com/silka-cheras>) on Friday, 12 December 2025 at 9.30 a.m., for the following purposes:

AGENDA

ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the financial year ended 30 June 2025 together with the reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 1*
2. To re-elect the following Directors who retire pursuant to the Constitution of the Company and being eligible, have offered themselves for re-election:

2.1 Dato' Sri Chiang Fong Yee	- Clause 86.1	<i>Ordinary Resolution 1</i>
2.2 Vincent Loh	- Clause 86.1	<i>Ordinary Resolution 2</i>
2.3 Lee Chwee Kin	- Clause 85.3	<i>Ordinary Resolution 3</i>
3. To re-appoint Messrs BDO PLT as Auditors of the Company for the financial year ending 30 June 2026 and to authorise the Board of Directors to fix their remuneration. *Ordinary Resolution 4*
4. To approve the Directors' fees of Carlo Rino Group Berhad and its subsidiaries not exceeding RM370,000 for the financial year ending 30 June 2026 to be divided amongst the Directors in such manner as they may determine, with payment of the fees to be made semi-annually in arrears at the end of each half-year. *Ordinary Resolution 5*
5. To approve the Directors' benefits of Carlo Rino Group Berhad up to an amount of RM30,000 for the period from 13 December 2025 until the next Annual General Meeting of the Company. *Ordinary Resolution 6*

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution, with or without modifications thereto:

6. Approval for Allotment of shares or Grant of rights

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"), and the approval(s) of the relevant regulatory authorities, where such approval(s) is required, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot and issue shares in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and to make or grant offers, agreements or options which would or might require shares to be allotted and issued, after the expiration of the approval hereof, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such additional shares to be allotted and issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares, if any) of the Company for the time being

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so allotted and issued on the ACE Market of BMSB.

AND THAT the Directors be and are hereby authorised to do all such acts and things (including executing such documents as may be required) in the said connection and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to give effect to the transactions contemplated and/or authorised by this resolution."

Ordinary Resolution 7

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

7. To transact any other business of which due notice shall have been given.

By Order of the Board
DATO' SRI CHIANG FONG YEE
Group Managing Director

30 October 2025
Kuala Lumpur

Notes:

- Only a depositor whose name appears on the Record of Depositors as at 01 December 2025 shall be entitled to attend, participate, speak and vote at the Meeting as well as for appointment of any person(s) as his proxy(ies) to exercise all or any of his rights to attend, participate, speak and vote at the Meeting in his stead.
- Where a member appoints more than 1 proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. However, a member shall not, subject to Paragraphs (3) and (4) below, be entitled to appoint more than 2 proxies to attend and vote at the Meeting.
- Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of 2 proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member entitled to vote on a resolution has appointed more than 1 proxy, the proxies shall only be entitled to vote on any question at the Meeting on poll provided that the member specifies the proportion of his holdings to be represented by each proxy.
- Where a member is a corporation, it may also by resolution of its directors or other governing body authorising a person or persons to act as its representative or representatives to exercise all or any of its rights to attend, participate, speak and vote at the Meeting on its stead.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll.

The instrument appointing a proxy or Proxy Form and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that member, shall be deposited at *the office of the Share Registrar of the Company, Bina Management (M) Sdn. Bhd. at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia*, not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll as may be provided or permitted under the applicable laws, and in default the instrument of proxy or Proxy Form shall not be treated as valid. *Faxed, photocopied, and electronically scanned copies of the duly executed Proxy Form are not acceptable.*

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

Explanatory Notes:

1. *Item 1 of the Agenda* – This item is meant for discussion only as the provision of Section 340 of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Henceforth, this item is not put forward for voting.
2. *Item 2 of the Agenda* – The resolution, if approved, will authorise the continuity in office of the Directors. An annual assessment on the performance and effectiveness of the Directors (including the independence of Independent Non-Executive Directors) for the financial year ended 30 June 2025 has been carried out, and the result was satisfactory to the Board.
3. *Item 3 of the Agenda* – BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), being the Auditors of the Company for the financial year ended 30 June 2025, have expressed their willingness to continue in office. An annual assessment on the effectiveness of the External Auditors for the financial year ended 30 June 2025 has been carried out and the result was satisfactory to the Board.
4. *Items 4 and 5 of the Agenda* – Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors, and any benefits payable to the directors including compensation for loss of employment of a director or former director of a listed company and its subsidiaries, shall be approved at a general meeting.

The resolutions, if approved, will authorise:

- (i) the payment of the Directors' fees to the Directors of Carlo Rino Group Berhad by the Company and/or several of its subsidiaries; and
 - (ii) the payment of the Directors' benefits to the Non-Executive Directors of Carlo Rino Group Berhad by the Company for the period from 13 December 2025 until the next annual general meeting in year 2026 that are derived from the estimated meeting allowance based on the number of scheduled and unscheduled meetings (where necessary) of RM500 per day of meeting.
5. *Item 6 of the Agenda* – The resolution, if approved, will empower the Directors of the Company to allot and issue ordinary shares of the Company from time to time, and expand the mandate to grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted and issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being ("General Mandate"). In computing the aforesaid 10% limit, shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The General Mandate, unless revoked or varied by a resolution of the Company, will expire at the conclusion of the annual general meeting held next after the approval was given; or at the expiry of the period within which the next annual general meeting is required by law to be held after the approval was given, whichever is the earlier.

The Board is of the view that the General Mandate, if approved, will provide additional fundraising flexibility for the Company to ensure its long-term sustainability and to meet its funding requirements such as working capital, operational expenditure, strategic opportunities involving equity deals and/or so forth which may require issuance of new shares, expeditiously and efficiently. In addition, any delay arising from and cost involved in convening a general meeting to approve such issuance of shares could be eliminated.

The actual proceeds to be raised from the General Mandate will depend on the issue price(s) and the number of new ordinary shares in the Company to be issued thereunder, and the quantum as well as the timeframe for the utilisation of proceeds could not be determined at this juncture.

STATEMENT ACCOMPANYING NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (“15TH AGM”)

[Pursuant to Rule 8.29 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad]

1. Details of individuals who are standing for election as Directors of the Company (excluding Directors standing for re-election)
No individual is standing for election as a Director at the upcoming 15th AGM of the Company.

2. Statement relating to general mandate for issue of securities in accordance with Rule 6.04(3) of the AMLR

The details of the general mandate are set out in item 5 of the Explanatory Notes of the Notice of 15th AGM dated 30 October 2025.



CARLO RINO GROUP BERHAD
(Registration No.: 200901037127 (880257-A))

PROXY FORM

I/We _____

NRIC/Passport/Company No. _____ Tel No. _____

CDS Account No. _____ Number of shares held: _____

Address: _____

being a member of CARLO RINO GROUP BERHAD [Registration No. 200901037127 (880257-A)] hereby appoint:

1. Name of Proxy _____ NRIC/Passport No. _____

Email Address _____

Tel No. _____ Number of shares represented _____

2. Name of Proxy _____ NRIC/Passport No. _____

Email Address _____

Tel No. _____ Number of shares represented _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf, at the Fifteenth Annual General Meeting of the Company to be held at Cheras Hall, Level UG, Silka Cheras Kuala Lumpur, No. 100, Jalan Cheras, Phoenix Business Park, 56000 Kuala Lumpur, Malaysia (<https://www.silkahotels.com/silka-cheras>) on Friday, 12 December 2025 at 9.30 a.m., in the manner as indicated below:

No.	Resolutions	For	Against
1.	Ordinary Resolution 1	Re-election of Dato' Sri Chiang Fong Yee as Director	
2.	Ordinary Resolution 2	Re-election of Vincent Loh as Director	
3.	Ordinary Resolution 3	Re-election of Lee Chwee Kin as Director	
4.	Ordinary Resolution 4	Re-appointment of Messrs BDO PLT as Auditors and to authorise the Directors to fix their remuneration	
5.	Ordinary Resolution 5	Approval for Directors' Fees for financial year ending 30 June 2026	
6.	Ordinary Resolution 6	Approval for Directors' Benefits	
7.	Ordinary Resolution 7	Approval for Allotment of shares or Grant of rights	

Please indicate with an "X" or "√" in the space provided above how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Signature/Seal of the Shareholder(s): _____ Date: _____

Notes:

- Only a depositor whose name appears on the Record of Depositors as at 01 December 2025 shall be entitled to attend, participate, speak and vote at the Meeting as well as for appointment of any person(s) as his proxy(ies) to exercise all or any of his rights to attend, participate, speak and vote at the Meeting in his stead.
- Where a member appoints more than 1 proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. However, a member shall not, subject to Paragraphs (3) and (4) below, be entitled to appoint more than 2 proxies to attend and vote at the Meeting.
- Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of 2 proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member entitled to vote on a resolution has appointed more than 1 proxy, the proxies shall only be entitled to vote on any question at the Meeting on poll provided that the member specifies the proportion of his holdings to be represented by each proxy.
- Where a member is a corporation, it may also by resolution of its directors or other governing body authorising a person or persons to act as its representative or representatives to exercise all or any of its rights to attend, participate, speak and vote at the Meeting on its stead.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll.
The instrument appointing a proxy or Proxy Form and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that member, shall be deposited at the office of the Share Registrar of the Company, Bina Management (M) Sdn. Bhd. at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll as may be provided or permitted under the applicable laws, and in default the instrument of proxy or Proxy Form shall not be treated as valid. *Faxed, photocopied, and electronically scanned copies of the duly executed Proxy Form are not acceptable.*



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AFFIX
STAMP

To: Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: +603 - 7784 3922

The Share Registrar of
CARLO RINO GROUP BERHAD

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