

Greenlam Industries Sdn Bhd.
(Registration No. 202401017426 (1563276 – U))

(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025**

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**DIRECTORS' REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

The directors hereby submit his report together with the audited financial statements of the Company for the period from 3 May 2025 to 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the wholesale of decorative laminates, plywood, and related products. There were no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Loss for the financial period	<u>(1,641,859)</u>

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial period. The directors do not recommend that a dividend to be paid in respect of the current financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions except as disclosed in the financial statements.

SHARES AND DEBENTURES

During the financial period, the Company has subscribed the following ordinary shares:

<u>Date of issue</u>	<u>Class of share</u>	<u>No. of shares issued</u>	<u>Issue price</u>	<u>Consideration</u>	<u>Purpose</u>
3 May 2024	Ordinary	1,000,000	RM 1	RM 1,000,000	Subscribes shares
24 January 2025	Ordinary	1,000,000	RM 1	RM 1,000,000	Working Capital

The company did not issue debentures during the financial period

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial period to take up unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial period, there were no unissued shares of the Company under options.

DIRECTORS'

The directors of the Company in office at any time during the financial period and since the end of the financial period up to the date of this report are:

Haja Nizamudeen
Saurabh Mittal
Vaibhav Sharma

DIRECTORS' BENEFITS

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

Since the end of the previous financial period, no director has received or become entitled to receive a benefit 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.

DIRECTORS' INTERESTS

None of the other directors in office at the end of the financial period had any interest in the ordinary shares of the Company or its related corporations during the financial period.

DIRECTOR'S REMUNERATIONS

The amount of the remunerations of the directors or past directors of the Company comprising remuneration received or receivable from the Company and its subsidiary during the financial period is as disclosed in Note 18 to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given to or insurance effected for, during or since the end of financial period, any person who is or has been the director, officers or auditors of the Company

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the director took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there are no bad debts to be written-off and that no allowance for doubtful debts is required; and
- (b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

As at the date of this report, the director is not aware of any circumstances:

- (a) which would necessitate the writing off of bad debts and providing of allowance of doubtful debts in the financial statements of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

As at the date of this report, there does not exist:

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

no item, transaction or event of a material and unusual nature has arisen in the interval between the end of period and the date of this report which is likely to affect substantially the results of operations of the Company for the financial period in which this report is made.

HOLDING COMPANIES

The immediate holding company is Greenlam Asia Pacific Pte. Ltd, a company incorporated in Singapore and the ultimate holding company is Greenlam Industries Limited a company incorporated in India.

AUDITORS

The auditors, M/s. Faizal Zainal & Co, have expressed their willingness to be appointed.

Auditors' remuneration is disclosed in Note 18 to the financial statements.

Signed by the Directors on behalf of the Board of Directors



Haja Nizamudeen
Director



Vaibhav Sharma
Director

Kuala Lumpur,

Date: 07/05/2025

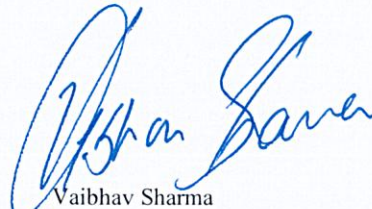
STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, Haja Nizamudeen and Vaibhav Sharma, being the directors of Greenlam Industries Sdn. Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements of the Company set out on pages 7 to 25 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and the financial performance of the Company for the financial period ended 31 March 2025 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed by the Directors on behalf of the Board of Directors



Haja Nizamudeen
Director



Vaibhav Sharma
Director

Kuala Lumpur,


Date: 07/05/2025

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

I, Haja Nizamudeen, the director primarily responsible for the financial management of Greenlam Industries Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 7 to 25 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
Haja Nizamudeen
In the Federal Territory of
Kuala Lumpur, Malaysia on

07 MAY 2025



Haja Nizamudeen

Before me,

COMMISSIONER FOR OATH



16B JALAN BURHANUDDIN HELMI
TAMAN TUN DR. ISMAIL
60000 KUALA LUMPUR

**Independent Auditors' Report to the Members of
Greenlam Industries Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No.: 202401017426 (1563276-U)

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of Greenlam Industries Sdn. Bhd., which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 25.

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 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

Information Other than the Financial Statements and Auditors' Report Thereon

The director of the Company is responsible for the other information. The other information comprises the Director's Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Director's Report and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Director for the Financial Statements

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

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

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

Report on the Audit of the Financial Statements (Continued)

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 based on 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director 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.

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.



Faizal Zainal & Co
AF002468
Chartered Accountants

Kuala Lumpur

Date:

07 MAY 2025



Muhammad Faizal Bin Zainal Abidin
03586/09/2025 J
Chartered Accountant

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2025

	<u>Note</u>	<u>2025</u> <u>MYR</u>
ASSETS		
Non-current assets		
Property, plant and equipment	5	678,126
Right-of-use assets	6	713,488
		<u>1,391,614</u>
Current assets		
Inventories	7	3,553,762
Cash and cash equivalents	8	754,741
Trade and other receivables	9	667,320
		<u>4,975,823</u>
		<u>6,367,437</u>
Total assets		
LIABILITIES		
Current liabilities		
Lease liability	6	339,673
Other payables	10	217,530
Amount due to immediate holding company	11	4,124,077
Contract liability	12	-
Provision for taxation	21	-
		<u>4,681,280</u>
Non-current liabilities		
Lease liability	6	399,865
Loan from immediate holding company	11	928,151
Deferred tax liability	20	-
		<u>1,328,016</u>
Total Liabilities		
		<u>6,009,296</u>
NET ASSETS		<u>358,141</u>
EQUITY		
<i>Capital and reserves attributable to equity holders of the Company</i>		
Share capital	4	2,000,000
Accumulated loss		(1,641,859)
TOTAL EQUITY		<u>358,141</u>

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 3 MAY 2025 TO 31ST MARCH 2025**

	<u>Note</u>	<u>2025</u> <u>MYR</u>
Revenue	13	1,988,098
Cost of sales	14	(1,386,793)
Gross profit		601,305
Other income	15	5,632
		606,937
Less:		
- Employee benefit expenses	16	(1,406,543)
- Depreciation	5	(134,957)
- Ammortisation of RTU asset	6	(314,498)
- Other operating expenses	16	(329,246)
		(1,578,307)
Loss from operations		-
Less: Finance costs	17	(63,552)
Loss before tax	18	(1,641,859)
Income tax expense	21	-
Deferred tax	20	-
Loss after tax		(1,641,859)
Loss from discontinued operations		-
Loss for the year		(1,641,859)
<u>Other comprehensive income:</u>		
<i>Items that may be reclassified subsequently to profit or loss</i>		-
<i>Items that will not be reclassified subsequently to profit or loss</i>		-
Other comprehensive income, net of tax		-
Total comprehensive income		(1,641,859)

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025**

—————▶ Attributable to equity holders of the Company ◀—————

	<u>Share Capital</u> MYR	<u>Accumulated Loss</u> MYR	<u>Total Equity</u> MYR
As at 03 rd May 2024	1,000,000	-	1,000,000
Issuance of shares	1,000,000	-	1,000,000
Total comprehensive income	-	(1,641,859)	(1,641,859)
As at 31 st March 2025	<u>2,000,000</u>	<u>(1,641,859)</u>	<u>358,141</u>

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

	<u>Note</u>	<u>2025</u> <u>MYR</u>
<i>Cash flows from operating activities</i>		
Loss before tax		(1,641,859)
Adjustments for:		
- Depreciation on fixed assets	5	134,957
- Depreciation on RoU assets	6	314,498
- Interest on lease liabilities	6	63,552
- Provision for inventory obsolescence	7	-
		(1,128,852)
Change in working capital:		
- Inventories	7	(3,553,762)
- Trade and other receivables	9	(667,320)
- Trade and other payables	10	217,530
- Amount due to holding company	11	4,124,077
- Contract asset / liability	12	-
		120,525
Cash generated from operations		(1,008,327)
Income tax paid	20	-
Net cash flows from operating activities		(1,008,327)
<i>Cash flows from investing activities</i>		
Additions to property, plant and equipment	5	(813,083)
Net cash flows from investing activities		(813,083)
<i>Cash flows from financing activities</i>		
Dividend paid		-
Issuance of Shares		2,000,000
Loan from immediate holding company	11	928,151
Repayments of lease liability [principal & interest]	6	(352,000)
Net cash flows from financing activities		2,576,151
Net changes in cash and cash equivalents		754,741
Cash and cash equivalents at beginning of the financial year		-
Cash and cash equivalents at end of the financial year	8	754,741

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

1. General information

Greenlam Industries Sdn Bhd is incorporated and domiciled in Malaysia with its registered office and principal place of business is situated at Unit No. 22 Jalan Subang 7/4, Taman Preindustrian Subang, USJ 1, 47600 Subang Jaya, Selangor.

The principal activity of the Company is the wholesale of decorative laminates, plywood, and related products. There were no significant changes in the nature of these activities during the financial year.

The immediate holding company of the Company is Greenlam Aisa Pacific Pte.Ltd., a Company which is incorporated in Singapore & the ultimate holding company is Greenlam Industries Limited a company incorporated in India.

2. Material Accounting Policies

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with the Malaysian Financial Reporting Standard (MFRS) and International Financial Reporting Standards (IFRS). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with MFRS and IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2024

On 1st January 2024, the Company adopted the new or amended IFRS and Interpretations of IFRS ("INT IFRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and INT IFRS.

2.2 Leases

(i) When the Company is the lessee:

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

• Right-of-use assets

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets (except for those which meets the definition of an investment property) are presented within 'Property, plant and equipment' or as a separate line item on the statement of financial position. Right-of-use asset which meets the definition of an investment property is presented within 'Investment properties' and accounted for accordingly.

• Lease liability

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

2. Material Accounting Policies (Cont'd)

2.2 Leases (cont'd)

(i) *When the Company is the lessee (cont'd):*

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

For contract that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Company has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

• Short term and low value leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

• Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

2.3 Revenue recognition

Sales are recognised when control of the goods has transferred to its customer, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a contract liability. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. The claims are expected to be settled in the next financial year. A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Interest income

Interest income, including income arising from fixed deposits and other financial instruments, is recognized using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

2. Material Accounting Policies (Cont'd)

2.4 Government grants

Grants from the government are recognized as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.5 Property, plant and equipment

a) Measurement

(i) Plant and equipment

Plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Component of costs

The cost of an item of plant and equipment initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition.

(b) Depreciation

Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Motor Vehicles	5 years	Computers	3 years
Furniture and fittings	3 years	Office equipment	5 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognized in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in profit or loss within "Other gains/losses – net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.6 Financial assets

The accounting for financial assets is as follows:

(a) Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

2. Material Accounting Policies (Cont'd)

2.6 Financial assets (cont'd)

(a) Classification and measurement (cont'd)

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities. There are three subsequent measurement categories, depending on the Company's business model for managing the asset and the cash flow characteristics of the asset:

Amortized cost:

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

FVOCI:

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognized in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit and loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognized using the effective interest rate method and presented in "interest income".

FVPL:

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortized cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognized in profit or loss in the period in which it arises and presented in "other gains and losses".

(ii) Equity investments

The Company subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognized in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading.

The Company has elected to recognize changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Company considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognized in profit or loss as "dividend income".

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

2. Material Accounting Policies (Cont'd)

2.6 Financial assets (cont'd)

(b) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, lease receivables and contract assets, the Company applies the simplified approach permitted by the IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(c) Recognition & Derecognition

Regular way purchases and sales of financial assets are recognized on trade date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognized in profit or loss. Any amount previously recognized in other comprehensive income relating to that asset is reclassified to profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognized in profit or loss if there was no election made to recognize fair value changes in other comprehensive income.

If there was an election made, any difference between the carrying amount and sales proceed amount would be recognized in other comprehensive income and transferred to retained profits along with the amount previously recognized in other comprehensive income relating to that asset. Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognized until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(d) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.7 Financial guarantees

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognized in accordance with the principles of IFRS 15; and
- (b) the amount of expected loss computed using the impairment methodology under IFRS 9.

2.8 Financial liabilities

Financial liabilities include trade payables, other amounts payable and interest-bearing loans. Financial liabilities are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method. Financial liabilities represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are represented as non-current liabilities. Gains and losses are recognized in the income and expenditures statement when the liabilities are derecognized as well as through the amortization process. The liabilities are derecognized when the obligation under the liability is discharged or cancelled or expired.

2.9 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities. Borrowings are initially recognized at fair value (net of transaction costs) and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

2. Material Accounting Policies (Cont'd)

2.10 Impairment of non- financial assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognized as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognized in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognized as an expense, a reversal of that impairment is also recognized in profit or loss.

2.11 Inventories

Inventories are carried at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average cost method. However, goods-in-transit due to its very nature is presented at cost. Net realizable 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. When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any allowance for write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs.

At the end of each year Company identifies old and slow-moving inventories and makes provision for the same in the Income Statement. The amount of any reversal of any allowance made previously for write-down of inventories, arising from subsequent sales of such items to the extent of quantities sold is recognized as revenue in the income statement. The Company will keep the provision in the Accounts in Statement of Financial Position until such time the inventories are fully written off.

2.12 Income taxes

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. A deferred income tax liability is recognized on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Position date; and
- (b) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

2. Material Accounting Policies (Cont'd)

2.12 Income taxes (cont'd)

Current and deferred income taxes are recognized as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognized directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition. The Company accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognized for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilized.

2.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which is probable of resulting in a future outflow of economic benefits that can be measured reliably.

2.14 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.15 Employee Compensation

Employee benefits are recognized as an expense, unless the cost qualifies to be capitalized as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed at the earlier of the following dates: (a) when the Company is terminating the employment of current employees according to a detailed formal plan without possibility of withdrawing the offer of those benefits; and (b) when the Company recognizes costs for a restructuring that is within the scope of IFRS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

2.16 Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Ringgit Malaysia ("MYR"), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

2. Material Accounting Policies (Cont'd)

2.17 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.18 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities. Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

2.19 Share capital & dividends

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Dividends to the Company's shareholders are recognized when the dividends are approved for payment.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Uncertain tax positions

The Company is subject to income taxes in Malaysia jurisdiction. In determining the income tax liabilities, management has estimated the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at its tax jurisdiction. The Company has significant open tax assessments with a tax authority at the statement of financial position date. As management believes that the tax positions are sustainable, the Company has not recognized any additional tax liability on these uncertain tax positions.

Provision for expected credit loss (ECL's) of trade receivables

Based on the Company's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. Within each revenue segment, the Company has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment. Notwithstanding the above, the Company evaluates the expected credit loss on customers in financial difficulties separately.

Critical judgement over the lease terms

Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option. The Company considers other factors including its historical lease periods for similar assets, costs required to obtain replacement assets, and business disruptions. The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

4. Share capital

	Issued Share Capital	
	No. of	Amount
As at 31st March 2025	Ordinary shares	MYR
Beginning of the financial year	-	-
Shares issued	2,000,000	2,000,000
End of the financial year	2,000,000	2,000,000

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and a right to receive dividends as and when declared by the Company. The Company is not exposed to any externally imposed capital requirements and there are no restrictions on issue shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

5. Property, Plant and equipment

<u>Cost</u>	<u>Computers</u> MYR	<u>Furniture & fittings</u> MYR	<u>Motor vehicles</u> MYR	<u>Office / warehouse equipment</u> MYR	<u>Total</u> MYR
Additions	78,770	590,228	127,000	17,085	813,083
Disposals / Assets Written off					
Balance as at 31 st March 2025	<u>78,770</u>	<u>590,228</u>	<u>127,000</u>	<u>17,085</u>	<u>813,083</u>
<u>Accumulated depreciation</u>					
Depreciation for the year	13,695	102,025	16,910	2,327	134,957
Disposals / Assets Written off					
Balance as at 31 st March 2025	<u>13,695</u>	<u>102,025</u>	<u>16,910</u>	<u>2,327</u>	<u>134,957</u>
<u>Net book value</u>					
As at 31 st March 2025	<u>65,075</u>	<u>488,203</u>	<u>110,090</u>	<u>14,758</u>	<u>678,126</u>

6. Right-of-use assets / Lease liability

<u>Right-of-use assets</u>	<u>2025</u>
<u>(on adoption of IFRS 16)</u>	MYR
RoU asset [Leased premises] b/f	
Recognised during the year	1,027,986
Depreciation for the year	(314,498)
	<u>713,488</u>

Right-of-use of assets acquired under leasing arrangements of the same class of assets are presented in line with IFRS 16.

The Company has entered in to a lease agreement to secure the right-of-use asset of a leasehold premises for a period of 3 years, which is used in the Company's retail operations. There is no externally imposed covenant on these lease arrangements.

<u>Lease liability</u>	<u>2025</u>
<u>(on adoption of IFRS 16)</u>	MYR
Lease liability [Leased premises] b/f	
Recognised during the year	1,027,986
Interest on lease liability for the year	63,552
Less: Repayment of principal & interest during the year	(352,000)
Balance at the end of the year	<u>739,538</u>
<u>Represented by:</u>	
Current	339,673
Non-current	399,865
Total	<u>739,538</u>

7. Inventories

	<u>2025</u>
	MYR
Finished goods	3,503,124
Goods in transit	50,638
	<u>3,553,762</u>
<u>Less: Provisions for slow moving inventories</u>	
Balance at the beginning	-
Current year provision	-
Provisions reversed during the year	-
Balance as at end of the financial year	<u>-</u>
	<u>3,553,762</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

8. Cash and cash equivalents

	<u>2025</u>
	MYR
Cash in hand	1,207
Cash at bank	753,534
Cash and cash equivalents per statement of cash flows	<u>754,741</u>

The cash & cash equivalents approximate its fair value as on the statement of financial position date and are denominated in Ringgit Malaysia (MYR).

9. Trade and other receivables

	<u>2025</u>
	MYR
<i>Trade receivables [third parties]</i>	415,891
<i>Trade receivables [related parties]</i>	37,640
Less: - Provision for doubtful debts	
Balance at 1 st April 2024	-
Current year (provision) / reversals	-
Provision written back during the financial year	-
Balance at 31 st March 2025	<u>453,531</u>
<i>Other Receivables</i>	
Deposits	122,891
Prepayments	37,727
Advance to Vendor	53,171
	<u>213,789</u>
Total trade and other receivables	<u>667,320</u>

The credit period of trade receivables is 30 - 180 days. Trade receivable from third parties and other receivables are denominated in Ringgit Malaysia (MYR). Trade receivable from related parties are denominated in United States Dollars (USD) and approximate their fair value as at the reporting date.

10. Other payables

	<u>2025</u>
	MYR
<i>Other payables:</i>	
Accruals for operating expenses	56,924
Advances received from customers	2,250
Liabilities to Employee	4,080
Other Trade Creditors	111,899
Withholding Tax Payable (PCB)	11,622
EPF, ESI & SOCSO Payable	30,755
	<u>217,530</u>
Other payables	<u>217,530</u>

The credit period of trade payables is 30-180 days. Other payables approximate its fair value as on the statement of financial position date and are denominated in Ringgit Malaysia (MYR).

11. Amount due to immediate holding company

	<u>2025</u>
	MYR
Trade Payable – Greenlam Asia Pacific Pte. Ltd	4,124,077
Loan from immediate holding company – Greenlam Aisa Pacific Pte. Ltd	928,151
Total due to immediate holding company	<u>5,052,228</u>

The amount due to the immediate holding company is under the extended credit terms of 360 days. The amount due to immediate holding company approximates its fair value as of the statement of financial position date and is denominated in United States Dollars (USD).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

12. Contract liability

	<u>2025</u> MYR
<i>Contract liability</i>	
Balance at the beginning	-
Add: Unsatisfied performance obligation on revenue recognized in current period	-
Less: Previous period's revenue recognized in current period from performance obligation satisfied	-
Balance at the end of the year	<u>-</u>

The Company recognizes the contract liability on unfulfilled performance obligation based on the terms and conditions of the contracts entered in to with a customer on case-to-case basis.

13. Revenue

	<u>2025</u> MYR
<i>Recognized at a point in time</i>	
Sale of goods	<u>1,988,098</u>

Sale of goods revenue represents the invoiced value net of discounts during the financial year and is recognized when the entity has transferred the control over goods upon satisfaction of performance obligations to the buyer. The revenue is recognized upon successful satisfaction of performance obligation as per 'IFRS 15 – Revenue from contracts with customers.'

14. Cost of sales

	<u>2025</u> MYR
Opening stock	
Add: Purchases during the financial year	4,362,062
Add: Freight and handling charges	
- Freight charges	609,919
- Handling and Packing materials	-
Less: Transfer to Fixed Assets (Renovation)	(31,426)
Stock written off / provision	-
Less: Change in Inventory of finished goods	(3,553,762)
Inventory recognized as expense during the year	<u>1,386,793</u>

15. Other income

	<u>2025</u> MYR
Interest income	
Miscellaneous income	5,632
	<u>5,632</u>

16. Employee compensation

	<u>2025</u> MYR
Salaries, bonus and allowances	661,520
Termination & other benefit	165,195
Employer's contribution to defined contribution plans	83,705
	<u>910,420</u>

Directors' remuneration (key management personnel compensation) *not* recognized within staff costs are as follows:

	<u>2025</u> MYR
Salaries, bonus, fee & allowances	446,481
Employer's contribution to defined contribution plans	49,642
	<u>496,123</u>

17. Finance cost

	<u>2025</u> MYR
Interest on lease liability [note 6]	63,552
	<u>63,552</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

18. Loss from operations

The loss from operations is arrived after charging following expenses:

	<u>2025</u> MYR
Insurance Charges	5,705
Printing & Stationary	16,589
Postage & Telephone and Internet	18,221
Travelling Expenses	30,494
Conveyance Expenses	18,200
Electricity Expenses	13,801
Legal & Professional Expenses	32,228
Auditor's Remuneration	11,000
Sales Promotion Expenses	127,649
Repairs & Maintenance	3,805
General Expenses	31,048
Rebate & Claims	4,837
Bank Charges	384
Exchange loss	15,285
	<u>329,246</u>

19. Finance costs

	<u>2025</u> MYR
Interest on lease liability [note 6]	63,552
	<u>63,552</u>

20. Deferred tax

	<u>2025</u> MYR
Balance as at 3 rd May 2024	-
Current year adjustments to profit & loss	-
Balance as at 31 st March 2025	<u>-</u>

The deferred tax arising on ROU asset and lease liability temporary difference is considered as very trivial and immaterial and hence not provided.

21. Taxation

	<u>2025</u> MYR
Balance as at 3 rd May 2024	-
Current year tax	-
Previous year (over) / under provision	-
Income tax paid	-
Balance as at 31 st March 2025	<u>-</u>

The reconciliation of the tax expense and the product of accounting profit multiplied by the applicable rate are as follows:

	<u>2025</u> MYR
Loss before tax	<u>(1,641,859)</u>
Tax calculated at tax rate of 15% for the first RM 150,000	(246,279)
RM 150,000 to RM 600,000 at 17%	
remaining at 24%	
Effects of:	
- expenses not deductible for tax purposes	67,956
- capital allowances	178,323
Tax expense	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

22 Significant related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

	<u>2025</u> MYR
Holding Company	
Greenlam Aisa Pacific Pte. Ltd	
- Purchase & other direct cost	4,362,065
- Trade & other payable	4,124,077
- Long Term loan	928,151
	<u>-</u>

23. Contingencies & commitments

Contingent liabilities, of which the probability of settlement is not remote at the statement of financial position date, are none.

Capital expenditures contracted for at the statement of financial position date but not recognized in the financial statements, are none.

24. Financial risk management

Financial risk factors

The Company's activities expose it to market risk (including currency risk, interest rate risk, etc.), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize any adverse effects from the unpredictability of financial markets on the Company's financial performance. The management continuously monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

24.1 Market risk

(a) Currency risk

The Company has exposure to foreign currency risk as part of its normal business. The functional currency of the Company is Ringgit Malaysia (MYR). As such the Company's sales in Ringgit Malaysia (MYR) and purchase in USD.

The Company's currency exposure based on the information provided by key management is as follows.

<u>On 31st March 2025</u>	<u>2025</u> MYR
<u>Financial assets:</u>	
Cash and cash equivalents	754,741
Trade and other receivables	667,525
Total	<u>1,422,265.76</u>
<u>Financial liabilities:</u>	
Trade and other payables	
Amount due to immediate holding company	4,124,077
Long term loan immediate (holding company)	928,151
Total	<u>5,052,228</u>

(c) Interest rate risk

The interest rate risk and its sensitivity are not applicable to the company as there are no interest – bearing financial assets and liabilities exists as at the date of statement of financial position.

24.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are trade receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties. Credit exposure to an individual customer is restricted by credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management and Board of Directors. As the Company does not hold any collateral, the maximum exposure to

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

24. Financial risk management (cont'd)

credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Company uses a provision matrix to measure the 12-month expected credit losses and/or lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade

receivables and contract assets are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macro-economic factors affecting the ability of the customers to settle the receivables. Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Company.

The Company's credit risk exposure in relation to trade receivables under IFRS 109 as at 31 March 2025 are set out in the provision matrix as follows:

Description	0 - 60 days	61 - 120 days	121 - 180 days	181 days & above	TOTAL
	MYR	MYR	MYR	MYR	MYR
Ageing for current year 2025 (A)	416,571	17,410	16,708	2,842	453,531
Bad debts / provision during 2025 (B)	-	-	-	-	-
Credit loss % (C) = (B/A)	-	-	-	-	-

The credit risk for trade receivables based on the information provided by key management is as follows: -

	2025
<u>By geographical areas:</u>	MYR
Malaysia	415,891
Others	37,640
	<u>453,531</u>
<u>By types of customers:</u>	
Related parties	37,640
Non-related parties	415,891
	<u>453,531</u>

24.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions at a short notice. At the statement of financial position date, assets held by the Company for managing liquidity risk included cash and short-term deposits.

The table below analyses non-derivative financial liabilities of the Company into relevant maturity group is based on the remaining period from the statement of financial position date to the contractual maturity date (contractual and undiscounted cash flows): -

31st March 2025	Maturity < 1 year	Maturity 2 to 5 years	Total	Applicable Interest Rate
<u>Financial Liabilities</u>	MYR	MYR	MYR	Note No. #
Amount due to holding company	4,124,077	-	4,124,077	Note 11
Loan from Holding Co.	928,151	-	928,151	Note 11
Trade and other payables	217,530	-	217,530	Note 10
Lease liability	339,673	399,865	739,538	Note 6
Contract liability	-	-	-	Nil
Total	<u>5,609,431</u>	<u>399,865</u>	<u>6,009,296</u>	

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) of the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Company in accordance with the practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

24. Financial risk management (cont'd)

24.4 Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Management monitors capital based on a gearing ratio.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	<u>2025</u> MYR
Net debt	5,254,555
Total equity	358,141
Total capital	<u>4,896,414</u>
Gearing ratio	<u>1.07 Times</u>

The Borrowers leverage ratio is calculated as total liability of the Company divided by tangible net worth of the Company.

	<u>2025</u> MYR
Total liability	6,002,295
Tangible net worth	<u>358,141</u>
Leverage ratio	<u>16.76%</u>

24.5 Fair value measurements

The following represents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) 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 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value measurements are not applicable to the Company as there are no financial instruments of the types of level 1, 2 or 3 exists as at the date of statement of financial position.

25. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 January 2025 and which the Company has not early adopted.

Amendments to:

<u>Annual periods commencing on</u>	<u>Description</u>
1 January 2025	Amendments to IFRS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
1 January 2026	Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
1 January 2027	Annual Improvements to IFRS - Volume 11 IFRS 18: Presentation and Disclosure in Financial Statements IFRS 19: Subsidiaries without Public Accountability: Disclosures

26. Authorization of financial statements

These financial statements of the Company as at 31st March 2025 and for the financial year then ended were authorized and approved for issuance in accordance with a resolution of the Board of Directors of **Greenlam Industries Sdn. Bhd.** on 7th May 2025.