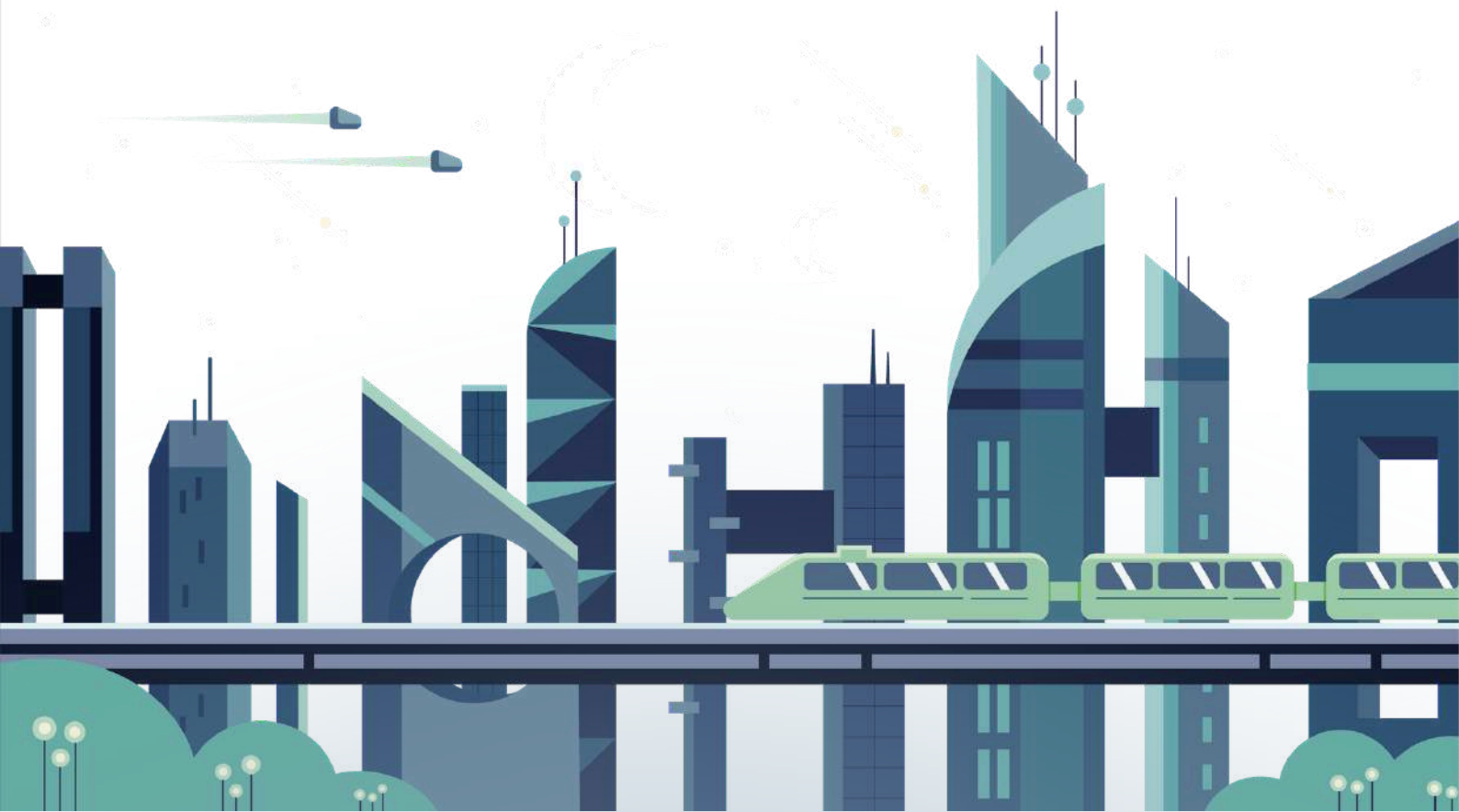


# Creating Value Beyond Power

Annual Report 2025



# ABOUT US

**A company created by people passionate about the industry and driven to deliver customer value.**

We are a company at the forefront of the electrical distribution industry. We develop and manufacture equipment which performs reliably, costs less, reduces project costs and ultimately saves lives. Here you can find out:



We are ISO 9001:2015 Certified, Quality Management System



We are ISO 14001:2015 Certified, Governing Environmental Management System



We are ISO 45001:2018 Certified, Occupational Health & Safety Management System



A number of our products are type-tested by ASTA, DEKRA, UL and SIRIM



Our products are used and trusted by customers in 28 countries covering three continents



100% energies go into the design and manufacture of electrical distribution equipment



All our products are exhaustively tested inhouse before we deem them suitable for use



Mikro employs over 195 fulltime staff



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### DATO' SERI IR. HAJI MOHAMAD ZULKEFLY BIN SULAMAN

Independent Non-Executive Chairman

### NOR AZLAN BIN ZAINAL

Independent Non-Executive Director

### YANG SHING SING

Non-Independent Non-Executive Director

### SYED MOHD HAFIZ BIN SYED MOHD

Executive Director/ Chief Executive Officer

### WANG HONG

Independent Non-Executive Director

### SINDI, MOHAMMED NABIL M

Independent Non-Executive Director

### YIM YUEN WAH

Executive Director/  
Managing Director

### TS. WAN ADLI RIDZWAN BIN WAN HASSAN

Independent Non-Executive Director

## AUDIT COMMITTEE

### NOR AZLAN BIN ZAINAL

Chairman

### TS. WAN ADLI RIDZWAN BIN WAN HASSAN

Member

### WANG HONG

Member

## RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

### NOR AZLAN BIN ZAINAL

Chairman

### TS. WAN ADLI RIDZWAN BIN WAN HASSAN

Member

### SYED MOHD HAFIZ BIN SYED MOHD

Member

## SHARE REGISTRAR

### TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

[Registration No. 197101000970 (11324-H)]

Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.

TEL NO. : 03-2783 9299

EMAIL: is.enquiry@vistra.com

## REMUNERATION COMMITTEE

### TS. WAN ADLI RIDZWAN BIN WAN HASSAN

Chairman

### NOR AZLAN BIN ZAINAL

Member

### WANG HONG

Member

## COMPANY SECRETARY

### CHIN WAI YI

(MAICSA NO. 7069783)  
(SSM PC NO. 202008004409)

## REGISTERED OFFICE

E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.  
TEL NO.: 03-21810516  
FAX NO.: 03-21810516  
EMAIL: office@gapadvisory.my

## CORPORATE OFFICE

No. 3, Jalan Anggerik Mokara 31/48, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia.  
TEL NO.: 03-55253863  
FAX NO.: 03-55253873  
WEBSITE:  
<http://www.itmikro.com.my>

## NOMINATION COMMITTEE

### TS. WAN ADLI RIDZWAN BIN WAN HASSAN

Chairman

### NOR AZLAN BIN ZAINAL

Member

### YANG SHING SING

Member

## AUDITORS

### HLB LER LUM CHEW PLT

AF0276 & 201906002362  
Chartered Accountants  
A-23-1, Level 23, Hampshire Place Office, 157 Hampshire, No.1, Jalan Mayang Sari, Off Jalan Tun Razak, 50450 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.  
TEL: 03-78905588

## PRINCIPAL BANKERS

Hong Leong Bank Berhad  
CIMB Bank Berhad  
CIMB Islamic Bank Berhad  
Malayan Banking Berhad  
United Overseas Bank (Malaysia) Berhad

## STOCK EXCHANGE LISTING

ACE Market, Bursa Malaysia Securities Berhad  
Stock Code: 0112  
Stock Name: MIKROMB

# CORPORATE STRUCTURE



## Mikro MSC Berhad

200601018418 (738171-M)

<b>Mikro Sdn Bhd</b>	<b>100%</b>
<b>Mikrocap Sdn Bhd</b>	<b>100%</b>
<b>Mikro Busway Sdn Bhd</b>	<b>100%</b>
<b>Mittric Systems Sdn Bhd</b>	<b>100%</b>
<b>Mikro Engineering Solutions Sdn Bhd</b>	<b>100%</b>
<b>Mikro Energy Solutions Sdn Bhd</b>	<b>100%</b>
<b>TES Productions &amp; Projects Pte Ltd</b>	<b>100%</b>
<b>Formula Concept Sdn Bhd</b>	<b>100%</b>
<b>Elridge Energy Holdings Berhad</b>	<b>20.625%</b>
<b>Mikro Smartconnection Sdn Bhd</b>	<b>60%</b>

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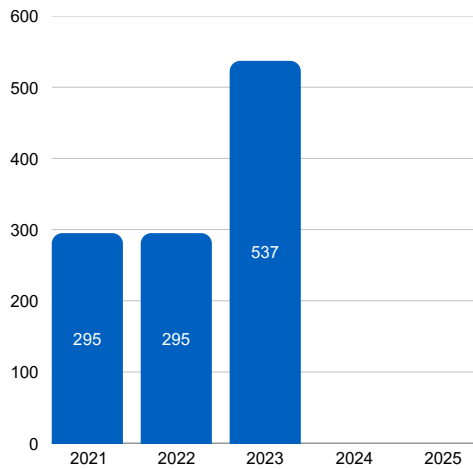
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# FINANCIAL HIGHLIGHTS

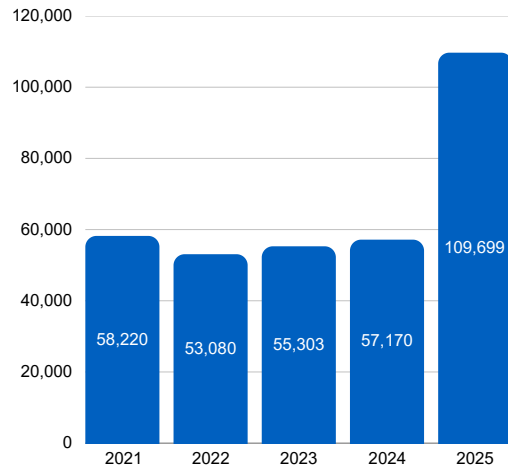
## Dividend Payout (RM '000)

5 years total dividend pay-out of profit after tax was **1.35%**

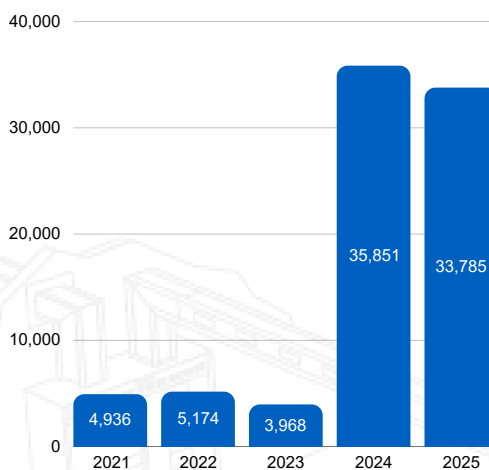


## Revenue (RM '000)

Compound Annual Growth Rate (CAGR) of **13.51%**

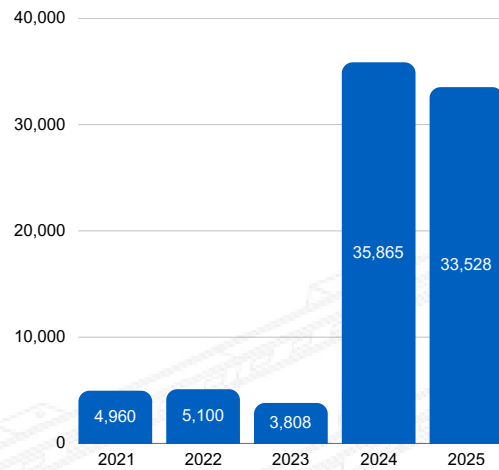


## Profit After Tax (RM '000)



## Profit Attributable to Owners of the Parent (RM '000)

Compound Annual Growth Rate (CAGR) of **46.55%**



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# PROFILE OF BOARD OF DIRECTORS

## Dato' Seri Ir. Haji Mohamad Zulkefly Bin Sulaiman

Independent Non-Executive Chairman

Age: 64                      Gender: Male  
Nationality: Malaysian

### Date of Appointment:

2 January 2025

### Membership of Board Committees:

None

### Academic/Professional Qualification(s):

Bachelor's Degree in Civil Engineering  
Master's Degree in Asset and Facility Management

### Working Experience:

Dato' Seri Ir. Haji Mohamad Zulkefly Bin Sulaiman ("Dato' Seri Zulkefly") graduated from Universiti Malaya with a Bachelor's Degree in Civil Engineering. He also holds a Master's Degree in Asset and Facility Management from Universiti Teknologi Malaysia.

He began his career in the public sector in 1985 as a Civil Engineer at the Ibu Pejabat Jabatan Kerja Raya ("JKR"), Cawangan Jalan. During his 37 years of service within the JKR and the Prime Minister's Department, he held various positions including District Engineer for Hulu Langat and Senior Assistant Director for the Integrated Asset Planning Branch.

Dato' Seri Zulkefly also served as the Director for JKR Wilayah Persekutuan Kuala Lumpur and as the Senior Director for the Civil Engineering and Structural Branch at the Ibu Pejabat JKR. From 2008 to 2012, he was the Senior Assistant Director under the Economic Planning Unit (EPU) within the Prime Minister's Department.

Prior to his retirement in late 2022, he served as the Deputy Director General of Works (Sektor Pakar) and was subsequently appointed as the Director General of Works (Ketua Pengarah Kerja Raya) in 2020. His professional experience includes asset and facility management, civil and structural engineering, and construction management.

### Other Directorship(s) in Public Companies and Listed Issuers:

Nil

### Relationship with any director and/or major shareholder of listed issuer:

Nil

### Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:

Nil

### Any other convictions (aside from traffic offence):

Nil

## Syed Mohd Hafiz bin Syed Mohd

Executive Director/ Chief Executive Officer

Age: 46                      Gender: Male  
Nationality: Malaysian

### Date of Appointment:

22 November 2023

### Membership of Board Committees:

Member of Risk Management and Sustainability Committee

### Academic/Professional Qualification(s):

Bachelor of Mechanical Engineering (Manufacturing)

### Working Experience:

Mr. Syed Mohd Hafiz bin Syed Mohd ("Mr. Syed Mohd Hafiz") started his career as a Site Engineer in March 2002 at Pathfinder M&E Sdn. Bhd. before moving to Liffey Marine Dublin as a Project Engineer in October 2004. In 2007, he moved to Perlis Marine Engineering Sdn Bhd as a Revival Consultant and responsible in developing and executing the company's business plan, providing strategic advice to the board and the chairperson.

Mr. Syed Mohd Hafiz then moved to CommOne Vision Sdn Bhd in May 2008 as a Chief Operating Officer who is responsible for the operational, functional and administrative of the company to align the company's financial and operative angles. In July 2012, Mr. Syed Mohd Hafiz joined National Air Services Ltd (Saudi) as Marketing and Strategy Specialist which involved and contribute to total restricting of business model, conduct market research to identify customer trend, competitor offering demographic data and providing strategic advice to the committee.

Mr. Syed Mohd Hafiz then moved to International Business Capital Sdn Bhd in October 2016 and appointed as Chief Strategic Officer and which currently responsible for creating a company's vision, communicating the plan with all those involved, executing the business initiatives and sustaining implementation efforts.

Mr. Syed Mohd Hafiz was also appointed as Managing Director in Loyal Reliance Sdn Bhd in December 2017 and served the company until October 2023 in developing and executing the company's business strategies, providing strategic advice to the board and the chairperson and preparing and implementing comprehensive business plans to facilitate achievement.

### Other Directorship(s) in Public Companies and Listed Issuers:

Nil

### Relationship with any director and/or major shareholder of listed issuer:

Nil

### Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:

Nil

### Any other convictions (aside from traffic offence):

Nil

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# PROFILE OF BOARD OF DIRECTORS

## Yim Yuen Wah

Executive Director / Managing Director

Age: 65                      Gender: Male  
Nationality: Malaysian

### Date of Appointment:

19 June 2006

### Membership of Board Committees:

None

### Academic/Professional Qualification(s):

B4 Charge man, Jabatan Bekalan Electric

### Working Experience:

Mr. Yim Yuen Wah has extensive experience in the electrical industry having been involved in the industry for more than 35 years. He has a B4 Charge man certificate to handle up to 11kV medium voltage, which he obtained from Jabatan Bekalan Electric in 1995.

He established Mikro Berhad in 1997 and is mainly responsible for the overall strategy, planning and development of Mikro Group corporate objectives and setting the long term goals of the Company.

### Other Directorship(s) in Public Companies and Listed Issuers:

Nil

### Relationship with any director and/or major shareholder of listed issuer:

Nil

### Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:

Nil

### Any other convictions (aside from traffic offence):

Nil

## Nor Azlan Bin Zainal

Independent Non-Executive Director

Age: 56                      Gender: Male  
Nationality: Malaysian

### Date of Appointment:

8 December 2022

### Membership of Board Committees:

Chairman of Audit Committee  
Chairman of Risk Management and Sustainability Committee  
Member of Nomination Committee  
Member of Remuneration Committee

### Academic/Professional Qualification(s):

Diploma in Accountancy  
Bachelor's Degree in Accountancy  
Chartered Accountant of the Malaysian Institute of Accountants ("MIA")

### Working Experience:

Mr. Nor Azlan bin Zainal ("Mr. Nor Azlan") began his career at Ernst & Young, until he was admitted to the MIA. Subsequently, he joined Guolene Paper Products Sdn Bhd (a subsidiary of Hong Leong Group) Packaging Division in 1997 as an accountant before moving on to Golden Pharos Berhad in 1998 as Chief Financial Officer ("CFO").

In 2004, he co-founded and assumed the role as Chief Executive Officer ("CEO") of Right Balance Sdn Bhd, a diversified group with interests in oil and gas, transportation, and trading of wood products. In 2018, he joined Widad Group Berhad as Group CFO and presently entrusted to assume the role as Group CEO.

### Other Directorship(s) in Public Companies and Listed Issuers:

Nil

### Relationship with any director and/or major shareholder of listed issuer:

Nil

### Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:

Nil

### Any other convictions (aside from traffic offence):

Nil

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# PROFILE OF BOARD OF DIRECTORS

## Ts. Wan Adli Ridzwan Bin Wan Hassan

Independent Non-Executive Director

Age: 50                      Gender: Male  
Nationality: Malaysian

### Date of Appointment:

8 December 2022

### Membership of Board Committees:

Chairman of Nomination Committee  
Chairman of Remuneration Committee  
Member of Risk Management and Sustainability Committee  
Member of Audit Committee

### Academic/Professional Qualification(s):

Master's Degree in Computer Science  
Bachelor of Computer Science with Specialisation in Business Information Processing  
Professional Technologist certified by the Malaysian Board of Technologists (MBOT)

### Working Experience:

Ts. Wan Adli Ridzwan Bin Wan Hassan ("Ts. Wan Adli") holds a Master's degree in Computer Science from Universiti Malaya and a Bachelor's degree in Computer Science with a specialization in Business Information Processing from Acadia University, Canada. He is also a Professional Technologist certified by the Malaysian Board of Technologists ("MBOT") and a member of the Institute of Corporate Directors Malaysia ("ICDM").

With nearly three decades of experience in implementing IT solutions for corporate clients, Mr. Wan Adli began his career in 1997 at a local multinational corporation. In 2000, he became the Technical Director at a publicly listed company in Singapore before establishing his own IT firm in 2003. He was previously a member of the curriculum review committee for the Faculty of Computer Science and Information Technology at Universiti Malaya and served as an Academic Studies Programme Committee Member for the Faculty of Information Technology and Computer Science at Universiti Teknikal Malaysia Melaka (UTeM).

Ts. Wan Adli's other professional roles include serving as the Executive Director of BNI Putrajaya. BNI is a global organization based in the United States and the world's largest professional business referral organization, with a presence in 76 countries and close to 350,000 member entrepreneurs.

### Other Directorship(s) in Public Companies and Listed Issuers:

Nil

### Relationship with any director and/or major shareholder of listed issuer:

Nil

### Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:

Nil

### Any other convictions (aside from traffic offence):

Nil

## Wang Hong

Independent Non-Executive Director

Age: 59                      Gender: Male  
Nationality: Singaporean

### Date of Appointment:

29 May 2023

### Membership of Board Committees:

Member of Audit Committee

### Academic/Professional Qualification(s):

Doctorate PHD in Design and Fabrication of InP-based Heterojunction Bipolar Transistors  
Master in Engineering (by Research) – Design and Fabrication of GaAS-Based HBTs, Nanyang Technology University (NTU) Singapore  
Bachelor of Engineering in Semiconductor Physics and Devices, Zhejiang University P.R China.

### Working Experience:

Mr. Wang Hong pioneer work on the world first InP metamorphic Heterojunction Bipolar Transistors (HBTs) He led his NTU's research team on the demonstration of the first Mid-IP Si-photonic platform and led his research team on the major technical breakthrough on III-V/Si hybrid tuneable lasers operating Mid-IR wavelength range (~ 2 um). He also led Nanyang Nanofabrication Centre (N2FC) – an advanced cleanroom facility in NTU providing university-wide support for micro- and nano-fabrication.

He is a Principal Investigator (PI)/Co-PI with more than S\$20 million accumulated research funding from research funding agencies and industry and a leading researcher and educator in NTU with more than 30 years' experience in electronics and photonics, he has trained many postgraduate(> 10 PhD) and undergraduate students.

He also involved with research collaboration with local and international companies for successful translation of technologies to commercialization.

### Other Directorship(s) in Public Companies and Listed Issuers:

Eldridge Energy Holdings Berhad

### Relationship with any director and/or major shareholder of listed issuer:

Nil

### Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:

Nil

### Any other convictions (aside from traffic offence):

Nil

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# PROFILE OF BOARD OF DIRECTORS

## Sindi, Mohammed Nabil M

Independent Non-Executive Director

Age: 43                      Gender: Male  
Nationality: Saudi Arabian

### Date of Appointment:

22 November 2023

### Membership of Board Committees:

None

### Academic/Professional Qualification(s):

Bachelor's Degree in Hospitality Management

### Working Experience:

In 2004, Mr. Sindi, Mohammed Nabil M started his career as Senior Manager in Management Division at Jeddah Hilton Hotel Sheraton Riyadh Hotel where he is responsible for the day to day management of the property, hotel guests, and its staff. He has to ensure efficient operations, maximize standards of guest service, and drive occupancy rates and revenue goals. In January 2007, he was appointed as General Manager at AlMahfal Est where he is responsible in event planning and royal ceremonial advisory services for former King Abdullah bin Abdulaziz Al Saud and the Royal Family of Saudi Arabia.

### Other Directorship(s) in Public Companies and Listed Issuers:

Nil

### Relationship with any director and/or major shareholder of listed issuer:

Nil

### Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:

Nil

### Any other convictions (aside from traffic offence):

Nil

## Yang Shing Sing

Non-Independent Non-Executive Director

Age: 37                      Gender: Female  
Nationality: Malaysian

### Date of Appointment:

22 September 2023

### Membership of Board Committees:

Member of Nomination Committee

### Academic/Professional Qualification(s):

Diploma in Business Administration

### Working Experience:

In October 2011, Ms. Yang Shing Sing ("Ms. Yang") started her career in Loyal Reliance Pte. Ltd., a company principally involved in the provision of business consultancy and training services as a Corporate Relationship Officer responsible in maintaining a good relationship and communications with the banks.

In September 2012, she left Loyal Reliance Pte. Ltd. and joined Loyal Reliance Sdn. Bhd., a company principally involved in provision of business management consultancy services for information technology as a Personal Assistant to Managing Director in November 2012.

Ms. Yang was promoted to General Manager in January 2013 responsible for overseeing the daily business activities, strategizing to improve the overall business functions, developing and implementing the operational policies and strategic plan, and providing ISO consultancy works to clients. She left Loyal Reliance Sdn. Bhd. in December 2016.

In January 2017, she was appointed as a Business Development Director of WBU International Sdn. Bhd., a company principally involved in the provision of business solutions and advisory services and she was responsible for overseeing the strategic development, marketing initiatives and implementing better business practices for the company.

### Other Directorship(s) in Public Companies and Listed Issuers:

Wellspire Holdings Berhad

### Relationship with any director and/or major shareholder of listed issuer:

Nil

### Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:

Nil

### Any other convictions (aside from traffic offence):

Nil

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# PROFILE OF KEY SENIOR MANAGEMENT

**Soo Zin Chuen**  
Chief Financial Officer

**Age:** 46  
**Nationality:** Malaysian  
**Gender:** Male  
**Date of Appointment:** 4 February 2026

**Academic / Professional Qualification(s):**  
Bachelor's Degree in Accountancy  
Affiliate of Association Chartered of Certified Accountants  
("ACCA")  
Member of Malaysian Institute of Accountants

**Working Experience:**  
Mr. Soo Zin Chuen has over twenty three (23) years of working experience in financial reporting, risk management, treasury, corporate exercises and investor relation of varied industries which ranged from manufacturing, healthcare, retail, F&B and trading industry.

Prior to joining Mikro MSC Berhad, Mr Soo Zin Chuen held multiple finance roles across four (4) public listed companies and several private companies.

As the Chief Financial Officer, Mr. Soo Zin Chuen is responsible for overseeing the Group's financial, accounting and compliance functions, as well as managing operational finance, internal audit and investor relations.

**Other Directorship(s) in Public Companies and Listed Issuers:**  
Nil

**Relationship with any director and/or major shareholder of listed issuer:**  
Nil

**Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:**  
Nil

**Any other convictions (aside from traffic offence):**  
Nil

**Lim Seng Gee**  
Sales and Marketing Director

**Age:** 46  
**Nationality:** Malaysian  
**Gender:** Male  
**Date of Appointment:** 12 December 2025

**Academic / Professional Qualification(s):**  
Diploma in Leadership and People Management

**Working Experience:**  
Mr. Lim Seng Gee holds a Diploma in Leadership and People Management from Loyal Reliance Pte Ltd.

He has over twenty (20) years of extensive experience in production and project management. He began his career with TES Productions in 2004, where he served for seven years. In 2011, he joined TES Production and Projects Pte Ltd, where he has continued to lead various operational initiatives to the present day.

**Other Directorship(s) in Public Companies and Listed Issuers:**  
Nil

**Relationship with any director and/or major shareholder of listed issuer:**  
Nil

**Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:**  
134,831,460 ordinary shares (deemed interest via direct shareholding in Calida Group Pte. Ltd)

**Any other convictions (aside from traffic offence):**  
Nil

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# PROFILE OF KEY SENIOR MANAGEMENT

**Nurulaswad Bin  
Johari @ Jahari**  
Chief Operating Officer

**Age: 48****Nationality: Malaysian****Gender: Male****Date of Appointment: 3 November 2025****Academic / Professional Qualification(s):**

Bachelor's Degree in Manufacturing Technology /  
Mechanical Engineering

**Working Experience:**

Mr. Nurulaswad bin Johari @ Jahari has over 20 years of extensive experience in the automotive industry, specialising in technical procurement, strategic sourcing, supplier management and new model development. He began his career in 2002 with ASJ Components (M) Sdn. Bhd. and subsequently joined Perodua Manufacturing Sdn. Bhd. in 2003, where he was involved in product planning and research and development for various vehicle models.

He joined Proton in 2008 and has since held several key managerial and leadership positions within the Group Technical Procurement division, including Assistant Manager of Strategic Procurement, Manager of International Procurement, Head of Powertrain Procurement. His last position in Proton prior to joining the Company is Deputy Head, Bill of Material, where he oversees the powertrain and chassis procurement departments of Proton, leading supplier nomination, contract negotiation, cost management and procurement strategy.

Throughout his career, he has consistently delivered strong results in supplier cost reduction and localisation initiatives and played a significant role in the successful launch of several major Proton models such as Saga, Persona, Perdana, Ertiga, Preve and Suprima.

**Other Directorship(s) in Public Companies and Listed Issuers:**

Nil

**Relationship with any director and/or major shareholder of listed issuer:**

Nil

**Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:**

Nil

**Any other convictions (aside from traffic offence):**

Nil

**Tay Siang Hui**

Chief Commercial Officer

**Age: 50****Nationality: Malaysian****Gender: Male****Date of Appointment: 27 August 2024****Academic / Professional Qualification(s):**

Bachelor's Degree in Engineering  
Master of Science in Engineering  
Master of Business Administration

**Working Experience:**

Mr. Tay Siang Hui obtained his BEng (Hons) degree from Sussex University, UK, MSc. Eng from Multimedia University Malaysia and MBA from University Malaya.

In 1998, he started his career at OYL R&D Centre Sdn. Bhd. as a R&D Engineer. He joined Mikro as a Senior R&D Engineer in 2004 and was involved in product development of the company. He was later promoted to Executive Director in Mikro Sdn Bhd - subsidiary company of Mikro MSC Berhad in 2022.

He is responsible for the business development of Mikro, both locally and overseas. He also conducts external training and seminars as part of the marketing support activities provided by Mikro.

**Other Directorship(s) in Public Companies and Listed Issuers:**

Nil

**Relationship with any director and/or major shareholder of listed issuer:**

Nil

**Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries:**

Nil

**Any other convictions (aside from traffic offence):**

Nil

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# PROFILE OF KEY SENIOR MANAGEMENT

**Chan Yaw Sang**  
Chief Technical Officer

**Age:** 55  
**Nationality:** Malaysian  
**Gender:** Male  
**Date of Appointment:** 27 August 2024

**Academic / Professional Qualification(s):**  
Bachelor's Degree in Electrical Engineering, University  
Technology Malaysia

**Working Experience:**  
In 1997, Mr Chan Yaw Sang ("Mr. Chan") joined Areva T&D  
Malaysia Sdn Bhd (formerly known as Alstom Malaysia Sdn  
Bhd) as a Protection & Control Engineer and was promoted  
to Manager of Application & Sales Support division in 2002.

Mr Chan joined Mikro as a Technical Application Manager in  
2005. He is responsible for overseas sales as well as  
providing technical application support for Mikros range of  
product. In addition, he also conducts external training and  
seminars as part of the marketing and after sales support  
activities provided by Mikro.

**Other Directorship(s) in Public Companies and Listed  
Issuers:**  
Nil

**Relationship with any director and/or major shareholder  
of listed issuer:**  
Nil

**Conflict of Interest/Potential Conflict of Interest with  
listed issuer or its subsidiaries:**  
Nil

**Any other convictions (aside from traffic offence):**  
Nil

**Tan Soo Kean**  
Executive Director

**Age:** 60  
**Nationality:** Malaysian  
**Gender:** Male  
**Date of Appointment:** 28 January 2020

**Academic / Professional Qualification(s):**  
Diploma in Electrical Engineering  
Diploma in Automotive Engineering

**Working Experience:**  
Mr. Tan Soo Kean obtained his Diploma in Electrical  
Engineering from University Technology Of Malaysia (UTM)  
and Diploma in Automotive Engineering from Federal  
Institute of Technology, Malaysia.

In 1989, he started his career at Rohm-Wako Malaysia Sdn.  
Bhd. as Production Technician. At year 1996, he joined  
Mitsuoka Electronics (M) Sdn. Bhd. R&D Department,  
heading a team of design engineers in product design and  
development. In 1999, joined Kaga Components (M) Sdn.  
Bhd. as Production Manager. At year 2004, joined Nakareg  
Sdn.Bhd. as Business Development Manager, handling of  
customer enquiry, design of product and costing.

He joined Mikro Smartconnection Sdn. Bhd. as an Executive  
Director in 2020 and was involved in overall operation of the  
company.

**Other Directorship(s) in Public Companies and Listed  
Issuers:**  
Nil

**Relationship with any director and/or major shareholder  
of listed issuer:**  
Nil

**Conflict of Interest/Potential Conflict of Interest with  
listed issuer or its subsidiaries:**  
Nil

**Any other convictions (aside from traffic offence):**  
Nil

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# CHAIRMAN'S STATEMENT

## Dear Valued Shareholders,

*On behalf of the Board of Directors, I am honoured to present the Annual Report of Mikro MSC Berhad ("Mikro" or "the Group") for the financial period ended 31 December 2025. ("FP2025")*

The current financial period covers eighteen (18) months from 1 July 2024 to 31 December 2025 following the change in the Group's financial year end. Accordingly, comparisons with the previous financial year should be interpreted with due consideration of the extended reporting period.

### PERFORMANCE OVERVIEW

During the financial period under review, the Group recorded revenue of RM109.7 million, reflecting a significant increase compared to the previous financial year. This was mainly driven by higher demand for our Intelligent Electronic Devices (IED) and the strategic contribution from our newly acquired subsidiary in the advertising and signage segment, which accounts for 9.2% of our total revenue in FP2025.

Despite the top-line growth, profit before tax remained relatively stable at RM35.9 million. This was maintained amidst the extended reporting period and reflects the Group's ability to meet increased demand across key product segments while managing operational transitions.

The Group's profitability continues to be supported by contributions from associate income. We conclude the period with a strong financial position characterised by a solid equity base and low gearing, which ensures the Group remains agile and well-positioned to capitalised on future growth opportunities.

### INDUSTRY POSITIONING AND STRATEGIC DIRECTION



Drawing from my experience in infrastructure development and public sector engineering, I recognise the critical role of reliable electrical distribution systems in supporting national and regional development.

Malaysia's emergence as a regional hub for data centres and infrastructure investment presents a structural growth opportunity for the Group. The increasing demand for stable, efficient and scalable electrical distribution solutions reinforces the relevance of the Group's products within this evolving landscape.



During the financial period, the Group secured a data centre project under its Busduct segment. This demonstrates the Group's capability to participate in large-scale infrastructure developments.

The Board will continue to adopt a disciplined and execution-focused approach, with emphasis on engineering reliability, operational efficiency and prudent cost management.

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# CHAIRMAN'S STATEMENT

## STRATEGIC DEVELOPMENTS (CONT'D)

### LEADERSHIP AND GOVERNANCE DEVELOPMENTS

The financial period marked a transition in the Group's Board and leadership.

I would like to record my sincere appreciation to Datuk Aznam bin Mansor, who stepped down as Chairman on 2 January 2025, for his leadership and contributions to the Group.

On behalf of the Board, I would also extend our appreciation to Mr Michael Aw Ming Han, who retired as Non-Independent Non-Executive Director on 27 November 2024, and Madam Goh Yoke Chee, who resigned as Executive Director on 31 December 2025, for their dedicated service and contributions. Similarly, we thank our outgoing Chief Financial Officer, Mr. Yoon Keng Yan, for his dedicated service to the Group.

To ensure a seamless transition and drive our next phase of growth, the Group has proactively strengthened its leadership team. We welcomed our new Sales and Marketing Director who as a member of the senior management team, he oversees our sales and marketing functions. As a director of our subsidiary in the advertising and signage segment, his deep industry experience is expected to be pivotal in supporting the integration and growth of this newly acquired business. Furthermore, we welcomed Mr. Nurulaswad bin Johari @ Jahari as Chief Operating Officer in November 2025 to enhance our operational oversight while driving process optimisation across our expanding business segments. Subsequently, Mr. Soo Zin Chuen was appointed as Chief Financial Officer in February 2026, bringing his extensive expertise to ensure continuity in our financial management.

These strategic appointments reflect our commitment to building a robust leadership team capable of executing the Group's long-term vision.

### A NOTE FROM THE CHAIRMAN

As this is my first year serving as Chairman of Mikro MSC Berhad following my appointment on 2 January 2025, I am committed to strengthening the Group's governance, operational discipline and strategic direction.

My experience in infrastructure planning and execution reinforces the importance of reliability, quality and long-term sustainability. These principles will guide the Board in steering the Group forward.

The Board remains committed to upholding strong corporate governance practices, ensuring accountability, transparency and effective oversight across the Group's operations. In parallel, the Group continues to strengthen its sustainability practices, with a focus on responsible business conduct, operational efficiency and long-term value creation.

### OUTLOOK AND PROSPECTS

Looking ahead, the Group remains cautiously optimistic.

The continued expansion of infrastructure and data centre developments is expected to support demand for the Group's products. The Group will continue to build on its capabilities in this segment as part of its growth strategy.

However, we remain mindful of external uncertainties, including geopolitical developments, cost pressures and supply chain challenges.

The Group will continue to focus on strengthening operational efficiency, enhancing cost discipline and maintaining prudent risk management practices.

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# CHAIRMAN'S STATEMENT

## STRATEGIC DEVELOPMENTS (CONT'D)

### APPRECIATION

On behalf of the Board, I extend our sincere appreciation to our shareholders, customers, business partners and regulators for their continued trust and support.

I would also like to thank my fellow Board members, the management team and all employees for their dedication and commitment throughout the financial period.

We remain grateful for your continued trust and support, which are integral to the Group's ongoing progress and long-term success.

Thank you.

**Dato' Seri Ir. Haji Mohamad Zulkefly Bin Sulaiman**  
Independent Non-Executive Chairman



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# MANAGEMENT DISCUSSION AND ANALYSIS

## OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

### Dear Esteemed Shareholders,

The following Management Discussion and Analysis (“MD&A”) provides insights into the Group’s operational performance and financial condition for the eighteen-month period ending 31 December 2025. This should be reviewed in conjunction with the Audited Financial Statements for FP 2025 and their accompanying notes. The information in this MD&A, including comparisons to the previous year (“FY 2024”), complies with the Malaysian Financial Reporting Standards (“MFRSs”), unless stated otherwise.

## OVERVIEW OF BUSINESS AND OPERATIONS

# Mikro MSC Berhad

Mikro MSC Berhad (“Mikro” or “the Group”) and its subsidiaries stand at the forefront of Malaysia’s electrical and electronics manufacturing industry (“E&E”). Renowned for our protective relays, power meters, and power factor regulators, the Group excels in-house design capabilities that ensure our products combine high aesthetic appeal with practicality while consistently meeting and surpassing stringent international codes and standards. Additionally, we have established a strong presence as a major manufacturer and trader of low and medium voltage busway (also known as busduct) systems. These systems, along with the protective relays, power meters and power factor regulators, form critical components in modern electrical distribution networks.

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# MANAGEMENT DISCUSSION AND ANALYSIS

## OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

### Strategic Operations

Our engineering and manufacturing operations are strategically aligned to deliver comprehensive solutions to our customers. We offer an extensive portfolio that ranges from individual components to engineered and packaged systems. This versatility allows Mikro to meet specific customer requirements, ensuring optimal performance and efficiency across various applications.

### Diversification and Growth

To reduce dependency on our core E&E business and establish new sources of recurring income, the Group has undertaken the following strategic diversifications:

#### **Biomass Fuel Business:**

The Group diversified into the biomass fuel business in year 2023 through its 20.625% equity interest in Elridge Energy Holdings Berhad (“EEHB”), which is listed on the ACE Market of Bursa Securities Malaysia Berhad. EEHB’s primary products include Palm Kernel Shells (PKS) and wood pellets, which are used for electricity generation in power plants and as fuel for industrial boilers.

#### **Signage and Interior Fit-Out Business:**

In 17 December 2024, the Group acquired TES Productions & Projects Pte Ltd (“TES”) to diversify its business into design, manufacturing and installation of signs and advertising displays, and interior fit-out services. Since its inception in 2011, TES has specialised in designing, fabricating, and installing signage and advertising display products, as well as providing interior fit-out project management services for both the public and private sectors in Singapore.

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# MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

## OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

### Mission Statement

Mikro's mission is to lead the global electrical distribution industry by pioneering reliable, cost-effective equipment that enhances project efficiency and saves lives. We develop and manufacture high-quality electrical distribution products that exceed industry standards, driven by our passion for innovation and customer satisfaction. Our commitment extends beyond product excellence; we strive to be a trusted partner in the electrical industry, serving diverse sectors with expertise and reliability. By consistently delivering exceptional value and performance, we aim to solidify our position as an industry leader. Our dedication to sustainability aligns our growth with responsible environmental practices, ensuring we not only meet but exceed the evolving needs of the electrical distribution sector. Through continuous innovation and uncompromising dedication to excellence, we aspire to shape the future of our industry while prioritising safety, efficiency, and customer satisfaction in all that we do.

### Market and Products

Our main products in E&E, including digital embedded computer-controlled protective relays, power meters, power factor regulators, and busducts, are integral to electricity distribution systems across residential, commercial, and industrial buildings, infrastructure, and public amenities. Their primary functions are as follows:

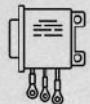
**Protective Relay** - A device that detects faulty conditions in a power system line and triggers the operation of a circuit breaker to isolate the faulty segment from the rest of the healthy power system.



**Power Meter** - An electronic instrument that measures and records essential parameters of an electrical system, including voltage, current, power, energy consumption, and harmonics.



**Power Factor Regulator** - A device designed to adjust the power factor of an electrical system, optimising active power transfer and enhancing the system's effective capacity.



**Busduct (also known as Busway)** - A metal-enclosed duct containing insulated copper or aluminium busbars. It is used for conducting substantial currents of electricity.



Our protective relays, power meters, and power factor regulators are primarily network-enabled for Supervisory Control and Data Acquisition ("SCADA") applications. Users can choose to utilise our in-house developed monitoring and control software or integrate with software developed by third-party system integrators.

The design, development, and manufacture of the Group's protective relays, power meters, and power factor regulators have been certified under the ISO 9001:2015 – Quality Management System by Lloyd's Register Quality Assurance. This globally recognised certification assures our ability to consistently produce products that meet both customer and regulatory requirements. Additionally, these products are designed and type-tested to comply with relevant international standards for safety and electromagnetic compatibility ("EMC").

Our busduct systems are also fabricated in compliance with ISO 9001:2015 and type-tested according to IEC standards. These certifications are awarded by internationally recognised independent bodies, including ASTA, DEKRA, UL, and SIRIM.

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# MANAGEMENT DISCUSSION AND ANALYSIS

## OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Revenue

RM 109.7 Million

Gross Profit

RM34.8 Million

Gross Margin

31.7%

### Revenue

For the financial period ended 31 December 2025, the Group recorded a revenue of RM109.7 million. The financial period under review covers eighteen (18) months, compared to twelve (12) months in the preceding financial year. Accordingly, the increase in revenue was attributable to the extended reporting period, as well as higher sales volume driven by improved demand across key product segments and markets.

### E&E Business Segment

The E&E business remains the main contributor to the Group revenue, accounting for approx. 90.82% of the Group's total revenue. Revenue for the segment increased to RM99.63 million, representing a 74.27% increase compared to RM57.17 million in the preceding financial year ended 30 June 2024. This growth was mainly attributed to the extended 18-month reporting period, alongside strengthened demand and improved revenue contributions from the overseas markets, particularly from Vietnam, Indonesia and Bangladesh.

### Signage and Interior Fit-Out Business Segment

Following the completion of the acquisition of TES in January 2025, the signage and Interior Fit-Out business contributed RM10.07 million, which accounted for approx. 9.18% of the Group's total revenue for the financial period ended 31 December 2025.

Notwithstanding the extended reporting period, the Group's underlying business performance remained stable across both segments, supported by continued demand for its electrical distribution products, signage and interior fit out service and expansion in operational activities.

### Gross Margin

The Group recorded a gross profit of RM34.80 million, with a gross profit margin of approximately 31.7% for the financial period ended 31 December 2025. The improvement reflects better cost management and improved product mix, although cost pressures remain due to raw material price fluctuations and operational expansion.

### Profit before Tax ("PBT")

The Group recorded a profit before tax of RM35.9 million. Despite strong revenue growth, PBT remained relatively stable due to significantly higher operating and administrative expenses arising from business expansion.

The Group's profitability was further bolstered by the biomass fuel business segment, with the share of profit from an associate amounting to RM33.2 million. This performance underscores the positive contribution of the Group's diversification strategy into this segment. Included in the share of profit from an associate is a one off gain from changes in equity of RM17.49 million arising from the dilution of its equity interest in the associate from 25% to 20.625% following its successful listing on the ACE Market of Bursa Securities Malaysia Berhad.

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# MANAGEMENT DISCUSSION AND ANALYSIS

OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

## FINANCIAL PERFORMANCE (CONT'D)

### Profit for the Financial Year (“PAT”) / Profit Attributable to the Owners of the Parent

The Group recorded a profit after tax of RM33.8 million for the financial period ended 31 December 2025, which remained broadly in line with the previous financial year.

The stable performance was supported by strong revenue growth and contribution from associate income, offset by higher operating expenses. The profit attributable to owners of the parent remained resilient, reflecting the Group’s ability to sustain earnings despite cost pressures.

### Note on Financial Period

The current financial period covers eighteen (18) months from 1 July 2024 to 31 December 2025 following the change in financial year end. As such, direct comparison with the previous financial year, which covered twelve (12) months, should be interpreted with caution.

### Liquidity and Capital Resources

	FP 2025	FY 2024
	RM'000	RM'000
Operating activities	7,900	6,459
Investing activities	(2,232)	(5,546)
Financing activities	(1,385)	(1,331)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,283</b>	<b>(418)</b>

The Group maintained a healthy liquidity position as at 31 December 2025, with cash and bank balances of RM23.6 million, compared to RM18.7 million in the previous financial year. The increase in cash position reflects the Group’s ability to generate positive operating cash flows and manage its working capital effectively.

#### (i) Operating activities

The Group recorded strong cash inflows from operating activities, supported by higher revenue and improved gross profit. The extended financial period of eighteen (18) months also contributed to higher cash generation compared to the previous twelve (12) month period.

In addition, operating cash flows were influenced by changes in working capital components. Trade and other receivables increased in line with higher revenue, reflecting expanded credit sales and business activities. Inventory levels remained relatively stable despite increased operational scale, indicating improved inventory management and efficient stock control. Meanwhile, trade and other payables increased significantly, reflecting higher procurement activities and continued utilisation of supplier credit.

Overall, the net working capital movements reflect the Group’s ability to support business expansion while maintaining effective working capital management and liquidity.

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### FINANCIAL PERFORMANCE (CONT'D)

#### (ii) Investing activities

Net cash used in investing activities amounted to approximately RM2.23 million during the financial period. This was mainly attributable to capital expenditure on property, plant and equipment of RM4.05 million and additions of intangible assets amounting to RM2.59 million, as well as right-of-use assets of RM0.14 million.

These outflows were partially offset by proceeds from the disposal of assets, including property, plant and equipment and intangible assets, as well as net cash inflow arising from the acquisition of a subsidiary.

#### (iii) Financing activities

Net cash used in financing activities was mainly attributable to the repayment of lease liabilities amounting to approximately RM2.05 million and repayment of term loan of approximately RM0.12 million during the financial period.

Notwithstanding these outflows, the Group continues to maintain a strong liquidity position, supported by positive operating cash flows and a solid equity base, providing sufficient financial resources to meet its operational requirements and support ongoing expansion initiatives.

### Working Capital Analysis

The Group's working capital position strengthened during the financial period ended 31 December 2025, supported by improved operating scale and expansion in business activities.

As at 31 December 2025, the Group recorded:

- Inventories: RM21.5 million (FY2024: RM22.1 million)
- Trade and other receivables: RM24.2 million (FY2024: RM19.9 million)
- Trade and other payables: RM10.4 million (FY2024: RM5.7 million)

#### Inventories

Inventory levels decreased slightly from RM22.1 million to RM21.5 million, reflecting improved inventory management and stock optimisation despite higher business volume during the extended financial period. This indicates better control over stock holding levels and reduced risk of obsolescence.

#### Receivables

Trade and other receivables increased to RM24.2 million from RM19.9 million in the previous financial year. The increase is consistent with higher revenue recorded during the financial period, particularly given the eighteen (18) month reporting period. This reflects increased credit sales and business expansion.

#### Payables

Trade and other payables increased significantly to RM10.4 million from RM5.7 million. This increase is in line with higher procurement activities and operational expansion. The higher payables position indicates that the Group continues to utilise supplier credit effectively as part of its working capital management strategy.

#### Overall Working Capital Position

Overall, the Group maintained a positive working capital position during the financial period. The increase in receivables and payables is consistent with the expansion in operations, while inventory levels remained well-managed.

The Group continues to monitor its working capital closely to ensure efficient utilisation of resources, maintain liquidity, and support ongoing business growth.

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## FINANCIAL PERFORMANCE (CONT'D)

### Gearing

	FP 2025	FY 2024
	RM'000	RM'000
Total borrowings	971	302
Total equity	301,936	239,507
<b>Gearing ratio</b>	<b>0.32%</b>	<b>0.13%</b>

In the financial period ended 31 December 2025, the Group recorded a gearing ratio of approximately 0.32%, compared to 0.13% in the previous financial year. The increase in gearing ratio was primarily due to higher borrowings arising from lease liabilities and short-term financing requirements.

Notwithstanding the increase, the Group continues to maintain a very low gearing level, supported by a strong equity base of RM302.0 million. This reflects the Group's prudent financial management and conservative capital structure.

The low gearing position provides the Group with sufficient financial flexibility to support its ongoing expansion and investment activities while maintaining a manageable level of financial risk.

### Dividends

The payment of dividends by the Company will depend on the Group's earnings, working capital requirements, and capital expenditure plans.

For the financial period ended 31 December 2025, the Directors do not recommend any dividend. This is in line with the Group's strategy to conserve cash resources to support ongoing business expansion and investment activities, particularly in view of the extended financial period of eighteen (18) months and the Group's continued growth initiatives.

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# MANAGEMENT DISCUSSION AND ANALYSIS

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### OPERATIONAL PERFORMANCE

The Group's operational performance for the financial period ended 31 December 2025 demonstrated significant expansion compared to the previous financial year, primarily driven by higher sales volume and increased business activities across key markets. The extended financial period of eighteen (18) months also contributed to the overall growth in operational output.

Despite the strong top-line performance, operational efficiency was affected by higher cost structures, particularly in administrative and operating expenses arising from business expansion and increased operational complexity. In addition, the Group continued to face external challenges, including fluctuations in raw material prices and evolving market conditions.

Notwithstanding these challenges, the Group maintained stable profitability, supported by improved gross margins and contributions from associate income. The Group continues to focus on enhancing operational efficiency, strengthening cost management and optimising resource utilisation to support sustainable growth.

Overall, the operational performance of the Group reflects its ability to scale its operations while navigating a more complex cost environment, positioning the Group for continued growth in the forthcoming financial periods.

### CORPORATE OBJECTIVES AND STRATEGIES

Mikro acknowledges the challenges inherent in today's complex macroeconomic landscape, including fluctuating raw material prices, supply chain disruptions, and geopolitical uncertainties. Nevertheless, we remain steadfast in our commitment to generating lasting value for our stakeholders. To this end, we have implemented strategic business plans designed to drive growth and strengthen our market position. Our approach focuses on innovation, operational efficiency, and strategic partnerships, enabling us to navigate these complexities effectively. By leveraging these strategies, Mikro is well-positioned to overcome obstacles, capitalise on opportunities, and continue delivering value in this dynamic business environment.

In summary, Mikro's business strategies are meticulously designed to drive robust financial growth and deliver value to stakeholders. Our approach focuses on leveraging emerging market opportunities and enhancing our competitive edge in the electrical manufacturing sector. With a steadfast commitment to innovation, operational excellence, and customer satisfaction, Mikro is well-positioned to seize growth opportunities and achieve sustainable developments in the years to come.

### CORPORATE DEVELOPMENTS

During the financial period, the Group completed the acquisition of TES in January 2025, marking a strategic step in expanding its business portfolio. The acquisition enables the Group to broaden its capabilities and enhance its presence in the signage and interior fit-out segment.

In line with this development, Mr Lim Seng Gee, a director of TES, has been appointed to a senior management role within the Group, overseeing sales and marketing functions. His industry experience is expected to support the integration and growth of the acquired business.

The Group also strengthened its management team with the appointment of Mr Nurulaswad bin Johari @ Jahari as Chief Operating Officer in November 2025. This appointment is aligned with the Group's efforts to enhance operational oversight and execution capabilities.

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# MANAGEMENT DISCUSSION AND ANALYSIS

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### ANTICIPATED OR KNOWN RISKS

As a leading provider of quality electrical distribution equipment in Malaysia, our organisation acknowledges the inherent risks associated with our industry. We are committed to remaining vigilant in identifying and addressing these risks to ensure sustained growth and operational excellence.

#### Strategic Risks

Changes in government policies, shifts in regulatory frameworks, and fluctuations in government budgets may impact the Group's ability to secure and sustain partnerships. In response, Mikro is dedicated to rebuild relationships with key government agencies to reassess and enhance our value-added solutions. This initiative aims to align our objectives with their needs, which we anticipate will boost our production volume and solidify our brand as a leading competitor in the market segment. We remain committed to maintaining open communication with government stakeholders, ensuring our solutions effectively address their challenges.

#### Operational Risks

In our efforts to ensure the effective and efficient use of resources, we have initiated negotiations with suppliers for volume contract pricing and pre-production planning and future partnerships with Building Information Management (BIM) warehouses. These measures aim to mitigate the impacts of fluctuating raw material costs and uncertain lead times, thereby enhancing our production capacity.

#### Financial Reporting Risks

To bolster the reliability of our operational and financial reporting, we are streamlining processes within the finance and accounting departments. This includes increasing headcount, upgrading our SAP system, and rewriting SOPs. These enhancements will ensure reliability, timeliness, and accountability through robust approval processes.

#### Compliance Risks

We are committed to adhering to applicable laws and regulations through rigorous ESG and CSR initiatives, alongside conducting quarterly internal audit reviews. Recently, we successfully completed our ISO Certification Audit, reinforcing our dedication to compliance and best practices in corporate governance.

In the face of fluctuating market dynamics and economic uncertainties, the Group approaches these challenges with a positive outlook. We have established comprehensive risk management strategies designed to effectively address potential obstacles. With a proactive approach to risk mitigation, the Group is prepared to safeguard the interests of our stakeholders. By staying alert and adaptable, Mikro is well-positioned to successfully navigate the complexities of the market landscape.

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# MANAGEMENT DISCUSSION AND ANALYSIS

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## FORWARD-LOOKING STATEMENT

The Group remains cautiously optimistic on its growth prospects, supported by favourable industry developments. The continued expansion of data centre infrastructure, particularly in Malaysia's emergence as a regional hub for hyperscale data centres, is expected to drive increased demand for electrical distribution products, including busduct systems.

In line with this trend, the Group has secured one data centre project under its Busduct segment during the financial period ended 31 December 2025. This reflects the Group's capability to participate in large-scale infrastructure projects and positions it to capture further opportunities within this growing sector.

Notwithstanding the positive outlook, the Group remains mindful of external uncertainties. Ongoing geopolitical tensions in the Middle East may continue to create volatility in global markets, potentially impacting energy prices, raw material costs and supply chain stability.

Moving forward, the Group will continue to focus on strengthening its market position, enhancing operational efficiency and maintaining prudent cost management, while remaining responsive to evolving market conditions.

*Yours sincerely,*  
Yim Yuen Wah  
Managing Director

# ***SUSTAINABILITY*** **STATEMENT**

***Sustainability*** has always been a pillar of the Group's culture as we strived to achieve continuing growth and profitability in a safe, caring, and sustainable environment.

## **ABOUT THE COMPANY**

Mikro MSC Berhad ("Mikro" or "the Group"), headquartered in Selangor, Malaysia, is a leading electrical and electronic manufacturing company specialising in protective relays, power meters, and power factor regulators. Since its founding, Mikro has been committed to delivering innovative and reliable solutions to the power industry. The Group prides itself on its in-house design capabilities, adherence to international standards, and a focus on customer satisfaction. Driven by a dedication to sustainability and excellence, Mikro ensures its products meet the evolving needs of the energy sector while promoting responsible manufacturing practices.

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# SUSTAINABILITY STATEMENT

## ABOUT THE COMPANY

### 1. Our Path to a Sustainable Future

Mikro MSC Berhad (“**Mikro**” or “**the Group**”) issues this Sustainability Statement (“**SS**”) for the financial year ended 31 December 2025 (“**FP2025**”). This statement presents how the Group manages key economic, environmental, social and governance (“**ESG**”) matters that are relevant to its business operations, risk profile and long-term growth. It should be read together with the Group’s FP2025 Financial Statements.

As an established manufacturer of electrical and electronic equipment, Mikro operates in an industry where product performance, operational discipline and regulatory compliance are fundamental. Sustainability within the Group is therefore embedded through responsible production practices, prudent resource management and strong governance across its business activities.

The Group applies a structured approach in managing ESG matters, integrating sustainability considerations into its overall governance, operational planning and product lifecycle. This includes setting internal controls, tracking performance indicators and ensuring alignment with applicable laws, standards and industry practices.

In FP2025, Mikro further enhanced its sustainability reporting processes by strengthening internal coordination and improving the quality and consistency of ESG data. These efforts support more transparent and reliable disclosures, enabling better monitoring of sustainability-related risks and opportunities.

Through the integration of ESG principles into its core operations, the Group aims to reinforce business resilience, enhance operational efficiency and support sustainable value creation over the long term.

### Core Business Operations

Mikro is headquartered in Malaysia and is principally involved in the design, manufacture and distribution of electrical protection, measurement and control equipment. Its product portfolio includes protective relays, power meters, power factor regulators, capacitors and busduct systems, which are widely used in electrical distribution networks and industrial applications.

The Group serves customers across a range of sectors, including commercial, industrial and infrastructure developments, both locally and internationally. Its solutions are designed to improve the safety, efficiency and reliability of electrical systems.

Mikro’s operations are supported by in-house technical expertise, structured manufacturing processes and established quality control systems to ensure that products meet required specifications and performance standards. Continuous improvements in production and engineering processes are undertaken to maintain product competitiveness and reliability.

In addition to manufacturing, the Group provides installation, servicing and maintenance support, ensuring that its products continue to perform effectively throughout their operational lifespan.

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# SUSTAINABILITY STATEMENT

## ABOUT THE COMPANY

### Core Business Operations (CONT'D)

The following table summarises the principal subsidiaries within the Group and their respective business activities.

Company Name	Principal Business Activities	Location
Mikro Sdn. Bhd.	Sales of analogue, digital and computer controlled electronic devices for the purpose of protecting, monitoring and programming in an electrical system.	Malaysia
Formula Concept Sdn. Bhd.	Manufacturing of analogue, digital and computer controlled electronic devices for the purpose of protecting, monitoring and programming in an electrical system.	Malaysia
Mikrocap Sdn. Bhd.	Trading on electronic products	Malaysia
Mikro Busway Sdn. Bhd.	Trading and distribution of commercial electrical apparatus of all descriptions	Malaysia
Mittric Systems Sdn. Bhd.	Trading of busduct.	Malaysia
Mikro Energy Solutions Sdn. Bhd.	The installation of non-electric solar energy collectors and operation of generation facilities that produce electric energy.	Malaysia
Mikro Engineering Solutions Sdn. Bhd.	Trading and service of electrical equipment and components and carry out business of contracting services related to the installation, troubleshooting, repair and maintenance of electrical and electronic systems.	Malaysia
Mikro Smartconnection Sdn. Bhd.	Manufacturing of coil, transformer and all types of magnetic from low to high power.	Malaysia

### Operational Value Chain

Mikro has established a structured value chain framework to enhance its understanding of how ESG-related risks and opportunities arise across its operations. This approach provides clearer visibility over operational dependencies, resource utilisation and potential impacts throughout the lifecycle of its products and services.

The Group's value chain is organised into three key stages, namely upstream, core operations and downstream activities.

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# SUSTAINABILITY STATEMENT

## Upstream activities

Primarily involve the sourcing and procurement of raw materials, electronic components and supporting parts required for production. This includes supplier selection, procurement processes and inbound logistics. At this stage, the Group focuses on maintaining reliable supplier relationships while ensuring that materials meet required quality and compliance standards.

## Core Operations

Encompass the Group's internal manufacturing and operational processes, including product design, engineering, assembly, testing and quality assurance. These activities form the foundation of Mikro's business and are supported by in-house technical capabilities, structured production processes and continuous improvement initiatives. Key ESG considerations at this stage include efficient energy usage, waste management, product quality, and occupational health and safety.

## Downstream activities

Cover the distribution of products, installation, commissioning, as well as after-sales support such as maintenance and servicing. Through these activities, the Group ensures that its products continue to perform reliably and safely throughout their operational lifecycle, while maintaining strong customer relationships.

By mapping its operations across these three stages, Mikro is able to systematically:

- Identify ESG-related risks, dependencies and operational impacts across its value chain
- Monitor environmental aspects such as energy consumption, resource usage and waste generation
- Strengthen internal processes for data collection, tracking and reporting
- Implement appropriate mitigation measures and operational controls where required
- This structured value chain approach enables the Group to integrate sustainability considerations into its operational planning, risk management and decision-making processes, supporting long-term business resilience and sustainable growth.

## Sustainability Focus Areas

The Group has identified several priority ESG areas based on the nature of its operations and stakeholder expectations. These include environmental performance, product quality and safety, workplace health and safety, regulatory compliance and responsible business practices.

Environmental management focuses on improving operational efficiency, particularly in relation to energy consumption and waste handling within manufacturing activities. Efforts are undertaken to minimise environmental impact while maintaining production effectiveness.

The Group also places strong emphasis on maintaining a safe working environment, especially within its manufacturing and project-related activities. Policies and procedures are in place to manage workplace risks and promote employee wellbeing.

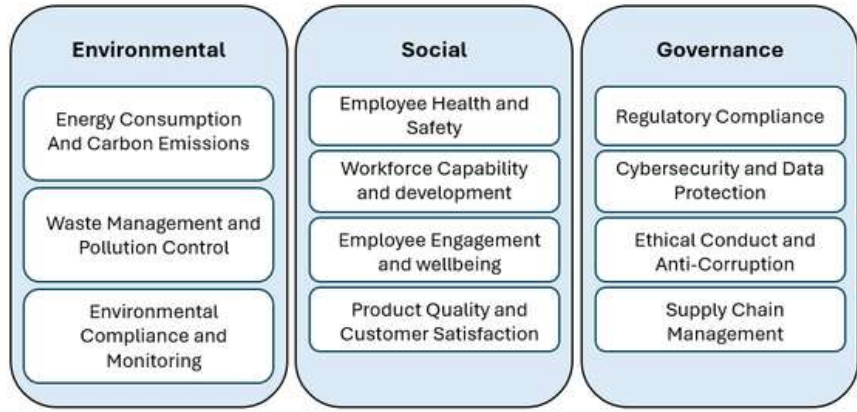
Compliance with applicable laws and standards remains a key priority, particularly in areas such as product safety, environmental regulations and industry requirements. The Group continuously reviews and updates its practices to remain aligned with regulatory expectations.

During FP2025, the Group conducted an assessment of relevant ESG factors to understand their potential impact on its operations and long-term performance. Based on this assessment, the Group continues to strengthen its governance structures, improve risk management practices and enhance monitoring mechanisms.

# SUSTAINABILITY STATEMENT

## Sustainability Focus Areas (CONT'D)

Mikro's sustainability disclosures are prepared with reference to applicable regulatory requirements and recognised frameworks, with additional information provided to improve transparency and stakeholder understanding of its sustainability approach.



## ENVIRONMENTAL

### Energy Consumption and Emissions



Mikro recognises that its manufacturing operations contribute to energy consumption and associated greenhouse gas emissions. Rising energy costs and increasing regulatory expectations may impact operational efficiency and cost management.

To address this, the Group focuses on improving energy efficiency through process optimisation, monitoring electricity usage and exploring renewable energy initiatives such as rooftop solar photovoltaic ("PV") systems. These efforts support emissions reduction and long-term operational sustainability.

### Waste Management and Pollution Control



The Group generates scheduled waste as part of its manufacturing processes and acknowledges the environmental risks associated with improper handling and disposal.

Mikro ensures that scheduled waste is properly managed and disposed of at facilities approved by the Department of Environment ("DOE"), in compliance with relevant regulations. The Group also promotes recycling and reuse practices, such as scrap metal recovery and reuse of materials, to minimise environmental impact.

### Environmental Compliance and Monitoring



Compliance with environmental laws and regulations is a key priority for Mikro. Failure to meet regulatory requirements may result in operational disruptions and reputational risks.

The Group implements environmental monitoring programmes covering air emissions, water discharge, noise levels and waste management. Regular training and awareness programmes are conducted to ensure employees understand environmental responsibilities and compliance requirements.

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## SOCIAL

### Employee Health and Safety



Mikro is committed to providing a safe and healthy workplace, particularly within its manufacturing and operational environments where safety risks may arise.



The Group implements safety induction programmes, regular training, safety briefings and clear signage across facilities. These initiatives enhance awareness, minimise workplace incidents and promote a strong safety culture.

### Workforce Capability and Development



The Group operates in a technically driven industry and recognises the importance of developing a skilled workforce to support operational excellence.



Mikro invests in continuous training programmes, including technical certifications, regulatory training and leadership development. These initiatives enhance employee competencies, improve productivity and support long-term business growth.

### Employee Engagement and Wellbeing



Employee wellbeing and engagement are essential to maintaining a productive and motivated workforce.



The Group promotes a positive work environment through team-building activities, company events and performance-based recognition programmes. These initiatives support employee morale, retention and overall organisational effectiveness.

### Product Quality and Customer Satisfaction



Ensuring product quality and reliability is critical to maintaining customer trust and market competitiveness.



Mikro adopts established quality management systems and conducts regular customer satisfaction assessments. Continuous improvement initiatives are implemented to enhance product performance and service delivery.

## GOVERNANCE

### Regulatory Compliance



Mikro operates within a regulated environment and is committed to complying with all applicable laws, standards and reporting requirements.

The Group maintains structured compliance frameworks, internal controls and regular monitoring processes to ensure adherence to regulatory obligations and minimise risk exposure.

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# SUSTAINABILITY STATEMENT

## GOVERNANCE

### Cybersecurity and Data Protection



With increasing reliance on digital systems, the Group recognises the importance of protecting its IT infrastructure and data.



Mikro has implemented security measures including access controls, network segmentation, firewall systems and antivirus protection to safeguard data integrity and ensure business continuity.

### Ethical Conduct and Anti-Corruption



The Group is committed to conducting its business with integrity, transparency and accountability.

Policies and awareness programmes are in place to promote ethical behaviour and prevent corruption. These measures support responsible business practices and strengthen stakeholder trust.

### Supply Chain Management



The Group relies on suppliers for materials and components, making supply chain reliability and compliance essential.

Mikro adopts a structured supplier evaluation process, including assessment of quality, pricing, delivery and regulatory compliance (e.g. RoHS requirements). Ongoing engagement with suppliers supports operational stability and reduces disruption risks.

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# SUSTAINABILITY STATEMENT

## 2. Basis of Preparation

This SS of Mikro for the financial year ended FP2025 has been prepared to present the Group's sustainability-related information in line with applicable regulatory requirements and recognised reporting frameworks.

The SS has been developed with reference to the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB"), specifically IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, as adopted in Malaysia under the National Sustainability Reporting Framework ("NSRF").

FP 2025 represents the Group's first year of reporting in accordance with the IFRS Sustainability Disclosure Standards. In applying these standards, the Group has adopted a phased implementation approach, with an initial focus on climate-related disclosures in line with IFRS S2. Accordingly, disclosures in the current reporting period primarily address climate-related risks and opportunities.

Additional sustainability information covering broader ESG matters has been included on a voluntary basis. These disclosures take into consideration the Bursa Malaysia Ace Market Listing Requirements as well as the Common Sustainability Matters under the NSRF, providing supplementary context to stakeholders beyond the mandatory IFRS requirements.

The reporting scope of this SS is aligned with the Group's audited Financial Statements for FP 2025, which have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and the Companies Act 2016. Unless otherwise stated, the SS encompasses all entities within the Group's reporting boundary.

### First-time Adoption of IFRS Sustainability Disclosure Standards

As FP 2025 marks the Group's initial adoption of the IFRS Sustainability Disclosure Standards, certain transition reliefs have been applied. Comparative sustainability information has not been presented where prior period data was not prepared using methodologies consistent with IFRS S1 and IFRS S2.

Where relevant, selected historical information has been included to provide indicative insights into performance trends over recent financial years. Such information has not been prepared in accordance with IFRS S1 or IFRS S2 and should therefore not be regarded as directly comparable. These disclosures are intended to support stakeholder understanding of the Group's sustainability journey.

### Structure of the Statement

The Group manages sustainability-related risks and opportunities through an integrated governance and risk management framework, with oversight provided by the Board of Directors ("the Board") and implementation carried out at the management level.

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# SUSTAINABILITY STATEMENT

## Structure of the Statement (CONT'D)

This SS is structured in accordance with the four core pillars of the IFRS Sustainability Disclosure Standards:

Topic	Description	Reference
<b>Governance</b>	Oversight structures, policies and processes for managing sustainability-related matters	Section 6
<b>Strategy</b>	Identification of sustainability-related risks and opportunities, and the Group's strategic responses	Section 7
<b>Risk Management</b>	Processes for identifying, assessing and monitoring sustainability risks, including integration into the Enterprise Risk Management ("ERM") framework	Section 8
<b>Metrics and Targets</b>	Indicators used to measure sustainability performance, including climate-related metrics	Section 9

This structure enhances consistency, transparency and the decision-usefulness of the information presented.

## Directors' Statement

The Board has overall responsibility for overseeing sustainability-related matters and ensuring the integrity of disclosures presented in this SS. This includes establishing appropriate governance structures, internal controls and reporting processes.

The SS has been reviewed and approved by the Board in accordance with the Group's internal governance procedures and the Bursa Malaysia Main Market Listing Requirements. Selected sustainability information has also been subjected to independent limited assurance to strengthen the credibility and reliability of the disclosures.

## GHG Emissions Boundary

The Board has overall responsibility for overseeing sustainability-related matters and ensuring the integrity of disclosures presented in this SS. This includes establishing appropriate governance structures, internal controls and reporting processes.

The SS has been reviewed and approved by the Board in accordance with the Group's internal governance procedures and the Bursa Malaysia Ace Market Listing Requirements. Selected sustainability information has also been subjected to independent limited assurance to strengthen the credibility and reliability of the disclosures.

## Organisational Boundary

The Group adopts the equity share approach in defining its organisational boundary for greenhouse gas ("GHG") emissions. Under this approach, emissions are accounted for based on the Group's proportionate ownership interest in its subsidiaries and investees.

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## GHG Emissions Boundary (CONT'D)

### Operational Boundary and Scope 3 Disclosures

For FP 2025, the Group has established its operational boundary based on activities over which it has operational control, covering emissions arising from its manufacturing operations, facilities and related activities.

The Group adopts a phased approach in developing its Scope 3 greenhouse gas inventory, taking into consideration its current stage of reporting maturity under the National Sustainability Reporting Framework ("NSRF"). Scope 3 emissions are not disclosed for the current reporting period, as the Group is in the process of establishing appropriate data collection processes, methodologies and value chain engagement to support reliable measurement.

The Group will progressively expand its Scope 3 disclosures to include relevant upstream and downstream categories, such as supplier-related activities and logistics, as data availability and reporting systems improve.

As this is the Group's first year of reporting under IFRS S1 and IFRS S2, there have been no changes to the methodologies, assumptions or inputs used in determining the GHG emissions boundary during the reporting period.

## 3. Materiality Assessment

Mikro conducts a materiality assessment to identify and prioritise sustainability-related risks and opportunities that may influence its financial performance, operational continuity and long-term value creation. This assessment serves as a key foundation for determining the ESG matters that are most relevant to the Group's business and stakeholders.

As a manufacturer of electrical and electronic equipment, the Group's sustainability considerations are closely linked to operational efficiency, product quality, environmental management, regulatory compliance and workforce capability. The materiality assessment enables the Group to focus its resources and disclosures on areas that are most critical to its operations and future growth.

In line with IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information, the Group adopts a financial materiality perspective. Sustainability matters are considered material where they could reasonably be expected to affect the economic decisions of users of the Group's financial statements.

Based on this approach, key ESG priorities identified for the Group include environmental performance (including energy use and waste management), occupational health and safety, product quality and reliability, regulatory compliance and supply chain management. These areas are essential in supporting operational efficiency, maintaining compliance and ensuring customer confidence.

## Assessment Process

The materiality assessment was carried out through an internal evaluation involving inputs from various functions, including management, operations, engineering, finance and compliance teams. This cross-functional approach ensures that risks and opportunities are considered from both operational and strategic perspectives.

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## Assessment Process (CONT'D)

The process involved identifying potential ESG risks across the Group's value chain, covering upstream, core operational and downstream activities.

Each identified matter was assessed based on a consistent set of criteria, including:

<b>Financial impact</b>	Potential implications on revenue, cost structure or capital expenditure
<b>Likelihood</b>	Probability of occurrence based on internal experience and external developments
<b>Time horizon</b>	Whether impacts are expected in the short, medium or long term
<b>Operational criticality</b>	Extent to which the matter affects core operations, resources or business continuity

This structured evaluation allows the Group to prioritise sustainability matters based on their relative significance and potential impact on overall business performance.

The assessment is aligned with the Group's ERM framework, ensuring that sustainability-related risks are managed consistently alongside other operational and strategic risks.

## Use of Judgement and Information Sources

The identification of material sustainability matters involves the application of management judgement, supported by both internal data and external information.

Internal sources include operational performance data, production and quality reports, safety records, internal audits and risk assessments. These inputs provide insight into areas of operational exposure and potential risks within the Group's activities.

External references include applicable laws and regulations, industry developments, environmental considerations and evolving stakeholder expectations, particularly in relation to product quality, safety and environmental responsibility.

Stakeholder considerations, including feedback from customers, business partners and employees, are also taken into account to identify issues that may affect product performance, service delivery and compliance obligations.

Notwithstanding these inputs, the final determination of material matters is guided by their potential financial impact, in line with the financial materiality approach under IFRS S1.

## Governance and Review

The outcomes of the materiality assessment are reviewed by senior management and subsequently presented to the Audit Committee ("AC") and Risk Management and Sustainability Committee ("RMSC") for further evaluation.

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## Governance and Review (CONT'D)

The RMSC oversees the relevance and completeness of identified sustainability matters and ensures that appropriate controls and mitigation measures are in place. Key findings are then reported to the Board of Directors, which retains overall responsibility for sustainability oversight.

The Group adopts a continuous improvement approach to its materiality assessment. Reviews are conducted periodically to reflect changes in business operations, regulatory developments, technological advancements and stakeholder expectations.

This ensures that the Group's sustainability disclosures remain relevant, robust and aligned with applicable reporting standards and regulatory requirements.

## 4. Judgement and Measurement Uncertainty

### Significant Judgements

The preparation of this SS involves the use of professional judgement and estimates in determining the scope, boundaries and methodologies applied in reporting sustainability-related information. These judgements influence how ESG data is defined, measured and disclosed, particularly in areas where reporting practices continue to evolve.

While the Group has established internal processes to support consistency and reliability, certain disclosures remain subject to limitations in data availability and measurement approaches.

### Key Areas of Judgement

<b>Determination of Reporting Scope and Boundaries</b>	<p>Management judgement is applied in defining the organisational and operational boundaries of sustainability reporting. The Group adopts the equity share approach in determining its organisational boundary, whereby sustainability data is reported based on its proportionate ownership in subsidiaries and investees.</p> <p>Operational boundaries are determined based on the level of control over activities. As such, emissions and impacts from outsourced activities, third-party logistics and certain supply chain processes are currently limited to areas where reliable data is available.</p>
<b>Scope 3 GHG Emissions Disclosure</b>	<p>For FY2025, the Group has not disclosed Scope 3 emissions. The Group is currently in the process of developing its Scope 3 greenhouse gas inventory, focusing on establishing appropriate data collection processes, methodologies and engagement with relevant value chain stakeholders.</p> <p>As part of this phased approach, the Group intends to prioritise the initial disclosure of selected Scope 3 categories, namely <b>employee commuting and business travel</b>, based on their relevance to the Group's operations and the expected availability of reliable data.</p> <p>Upstream and downstream emission sources, including supplier-related activities and product distribution, are being progressively assessed. The Group will expand its Scope 3 coverage over time as data availability, systems and methodologies continue to improve.</p>

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## Key Areas of Judgement (CONT'D)

<b>Definition of the Value Chain</b>	<p>Judgement is also applied in determining the scope of the Group's value chain, particularly in identifying activities that are most relevant to ESG risk exposure.</p> <p>The Group focuses on key stages including procurement of materials, manufacturing and assembly processes, as well as distribution and after-sales services. This ensures that disclosures are aligned with areas where sustainability factors are most likely to affect operational performance, regulatory compliance and customer outcomes.</p>
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## Measurement Uncertainty

Certain sustainability disclosures involve estimation and are therefore subject to inherent uncertainty. These uncertainties arise from limitations in data availability, reliance on assumptions and the forward-looking nature of some assessments.

<b>GHG Emissions Estimation</b>	<p>The calculation of GHG emissions involves the use of estimation techniques, particularly in areas where direct measurement is not feasible. For Scope 1 and Scope 2 emissions, calculations are based on available activity data and recognised emission factors.</p> <p><b>Scope 3 emissions are not disclosed for the current reporting period.</b> The Group is in the process of developing appropriate methodologies and data collection processes, including approaches for categories such as employee commuting and business travel.</p> <p>As methodologies are established and data quality improves, the Group will refine its estimation approaches and progressively expand its Scope 3 disclosures.</p>
<b>Climate-related Financial Impacts</b>	<p>The assessment of potential financial implications arising from climate-related risks and opportunities involves forward-looking assumptions. These may include changes in regulatory requirements, energy costs, technological developments and broader market conditions.</p> <p>Given the inherent uncertainty associated with these factors, actual outcomes may differ from current expectations. The Group applies a structured approach in developing these estimates to support informed decision-making.</p>
<b>Data Availability and System Limitations</b>	<p>Measurement uncertainty also arises from limitations in data collection systems and processes, particularly in relation to supply chain activities and third-party service providers.</p> <p>At present, the Group does not have complete visibility over sustainability-related data across all external activities. As such, certain impacts may not be fully reflected in the current reporting period. Ongoing efforts are being made to enhance internal data management systems and improve engagement with external parties to strengthen future disclosures.</p>

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## Measurement Uncertainty (CONT'D)

Overall, Mikro recognises that sustainability reporting is an evolving process. The Group remains committed to enhancing the quality, accuracy and consistency of its disclosures as its data governance practices, systems and reporting capabilities continue to mature.

## 5. Sustainability-Related Risks and Opportunities

Mikro adopts an integrated approach in identifying, assessing and managing sustainability-related risks and opportunities as part of its ERM framework. These risks and opportunities are evaluated based on their potential impact on the Group's financial performance, operational effectiveness, regulatory compliance and reputation.

Given the Group's involvement in the manufacturing and distribution of electrical and electronic equipment, sustainability considerations arise from its operational processes, supply chain dependencies, market dynamics and evolving regulatory landscape. Climate-related risks and opportunities are disclosed in accordance with IFRS S2 – Climate-related Disclosures, while additional ESG-related matters are included to provide a broader perspective on the Group's operating environment.

Sustainability-related risks and opportunities are embedded into the Group's strategic planning and day-to-day operations, ensuring that ESG considerations are integrated into decision-making processes.

## Sustainability-Related Risks

### Governance and Compliance Risks

The Group operates within a regulated environment and is required to comply with various laws, standards and reporting requirements. Failure to comply with Bursa Malaysia Listing Requirements, environmental regulations or other applicable standards may result in financial penalties, legal exposure and reputational damage. In addition, weak governance practices or ineffective internal controls may increase exposure to fraud, misconduct or inaccurate ESG reporting.

### Operational and Technology Risks

Operational risks may arise from inefficiencies in manufacturing processes, equipment failures or disruptions in production activities. In addition, increasing reliance on digital systems exposes the Group to cybersecurity threats, data integrity issues and potential system downtime, which may affect operational continuity and customer confidence.

### Market and Economic Risks

The Group faces exposure to competitive pressures, changing customer demand and fluctuations in market conditions. Dependence on intermediaries such as distributors may impact pricing power and margins. Economic uncertainties may also affect investment decisions and overall business performance.

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## Sustainability-Related Risks (CONT'D)

### Supply Chain and Execution Risks

The Group relies on external suppliers for raw materials and components. Disruptions in the supply chain, delays in delivery or inconsistencies in material quality may impact production schedules and product reliability. Limited control over third-party providers may also introduce operational and compliance risks.

### Reputational Risks

Any failure in governance, product quality, regulatory compliance or ESG practices may negatively affect stakeholder trust. Reputational damage may lead to loss of business opportunities and reduced investor confidence.

## Sustainability-Related Opportunities

### Strengthening Governance and ESG Practices

Enhancing governance structures, improving ESG data management and strengthening anti-corruption frameworks can increase transparency and accountability. This supports regulatory compliance and enhances stakeholder confidence. Improving Operational Efficiency

### Improving Operational Efficiency

The adoption of digital tools, automation and improved production processes presents opportunities to enhance efficiency, reduce waste and optimise resource utilisation. These improvements contribute to cost savings and operational resilience.

### Market Expansion and Growth

The Group can capitalise on opportunities to expand into new markets, diversify its customer base and strengthen its competitive positioning. Enhancing product offerings and service capabilities may also support revenue growth.

### Advancement of Risk Management Practices

Integrating sustainability considerations into the ERM framework enables the Group to better anticipate emerging risks and respond proactively. This supports more informed decision-making and long-term strategic planning.

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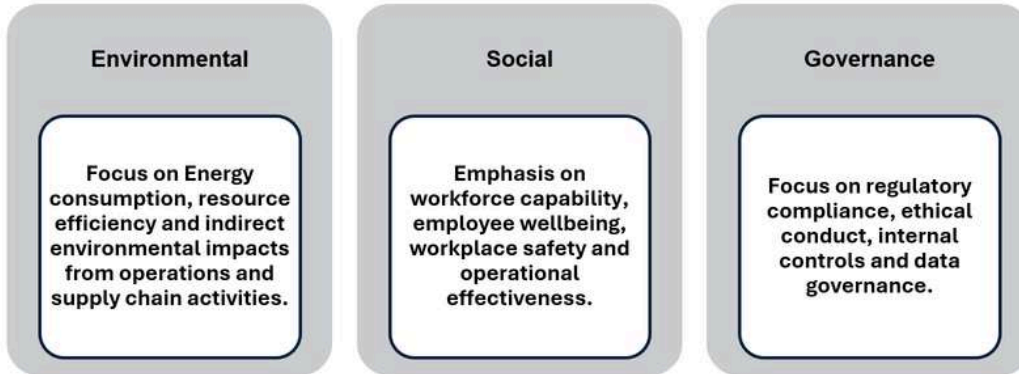
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## Environmental, Social and Governance Dimensions

The Group's sustainability-related risks and opportunities are further assessed across ESG dimensions:



This ESG-based perspective ensures a balanced evaluation of risks and opportunities across all aspects of the Group's business.

## Time Horizon Assessment

The Group evaluates sustainability-related risks and opportunities over different time horizons to support effective planning and resource allocation:



This classification aligns with the Group's business planning cycles and investment strategies.

## Likelihood and Impact Assessment

To prioritise sustainability-related matters, the Group assesses both the likelihood of occurrence and the potential impact of each risk or opportunity. This combined assessment enables the identification of issues that may have a material effect on financial performance and operational continuity.

In determining likelihood, management considers:

- Historical performance and past incidents
- Effectiveness of existing controls
- Industry trends and technological developments
- Regulatory and compliance requirements
- Operational dependencies, including suppliers and service providers

This assessment is conducted in alignment with the Group's ERM framework, guided by ISO 31000 principles, ensuring a consistent and structured approach across all business functions.

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## Likelihood and Impact Assessment (CONT'D)

### Ongoing Monitoring and Continuous Improvement

The Group recognises that sustainability-related risks and opportunities are dynamic and subject to change. As such, continuous monitoring and periodic reviews are undertaken to ensure that emerging issues are identified and addressed in a timely manner.

By strengthening its risk management processes and integrating ESG considerations into its business strategy, Mikro aims to enhance resilience, improve operational performance and support sustainable long-term growth.

## 6. Governance



Sustainability is a core component of Mikro's overall governance framework and is embedded within its strategic direction and operational management. The Group adopts a structured governance approach to ensure that sustainability-related risks and opportunities are effectively identified, assessed and managed across all levels of the organisation.

The governance structure establishes clear accountability between the Board, Board Committees and Management. This enables effective oversight of sustainability initiatives while ensuring alignment with the Group's long-term objectives, risk management practices and regulatory requirements.

### Board of Directors

The Board holds ultimate responsibility for overseeing the Group's sustainability strategy and ensuring that sustainability considerations are integrated into the Group's business direction.

The Board's key responsibilities include:

- Setting the Group's sustainability strategy and long-term objectives
- Overseeing the management of sustainability-related risks and opportunities
- Ensuring compliance with applicable regulatory requirements and reporting standards
- Reviewing the effectiveness of the Group's risk management and internal control systems
- Approving sustainability disclosures and key ESG initiatives

The Board also ensures that sustainability considerations are incorporated into major business decisions, including investments, operational plans and strategic developments, supporting long-term value creation and resilience.

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# SUSTAINABILITY STATEMENT

## 6. Governance (CONT'D)

### Audit Committee

The Audit Committee supports the Board in ensuring the integrity of financial reporting, compliance with regulatory requirements and the effectiveness of internal controls.

Its responsibilities include:

- Reviewing financial reporting processes and disclosures
- Monitoring the effectiveness of internal control systems
- Overseeing audit processes and ensuring alignment with the Group's objectives
- Supporting risk management practices, including sustainability-related controls

### Risk Management and Sustainability Committee

The Risk Management and Sustainability Committee plays a central role in identifying, assessing and managing key risks, including sustainability-related risks, within the Group's ERM framework.

Its responsibilities include:

- Developing and maintaining the Group's risk management framework
- Assessing emerging risks, including ESG-related risks
- Aligning risk appetite with business objectives
- Advising the Board on risk exposures and mitigation strategies

### Nomination Committee

The Nomination Committee ensures that the Board and senior management maintain the appropriate composition, diversity and expertise required to support the Group's sustainability agenda.

Its responsibilities include:

- Reviewing Board composition, independence and diversity
- Overseeing succession planning for Directors and senior management
- Supporting leadership development and capability building
- Ensuring the Board possesses relevant skills to address ESG-related challenges

### Remuneration Committee

The Remuneration Committee oversees remuneration policies to ensure alignment with the Group's performance and long-term objectives.

Its responsibilities include:

- Designing fair and competitive remuneration structures
- Aligning incentives with performance, including sustainability considerations where appropriate
- Promoting accountability through performance-linked rewards
- Supporting talent attraction and retention

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# SUSTAINABILITY STATEMENT

## 6. Governance (CONT'D)

### Sustainability Working Committee

Management is responsible for executing the Group's sustainability strategy and integrating ESG considerations into operational processes and decision-making.

To support implementation, the Group has established a Sustainability Working Committee, comprising senior management and representatives from key functions. The Committee serves as the central platform for coordinating sustainability-related initiatives across the organisation.

The Sustainability Working Committee's responsibilities include:

- Developing and implementing sustainability strategies and initiatives
- Identifying and assessing sustainability-related risks and opportunities across the value chain
- Monitoring environmental performance, including energy usage and emissions
- Overseeing product quality, operational efficiency and customer satisfaction
- Reviewing supply chain practices and third-party dependencies
- Monitoring workforce-related matters, including health, safety and development
- Coordinating the collection, validation and reporting of sustainability data
- Reporting sustainability performance and key issues to the Board and relevant committees

### Integration into Risk Management and Operations

Sustainability considerations are embedded within the Group's ERM framework and operational processes. Management conducts periodic reviews of sustainability-related risks and opportunities to ensure that appropriate controls and mitigation measures are in place.

Regular reporting is provided to the Board and its Committees to support informed decision-making and ensure effective oversight. This integrated governance structure enables Mikro to align sustainability practices with its strategic priorities while maintaining strong accountability and transparency.

## 7. Strategy

Mikro integrates sustainability considerations into its business strategy to address identified sustainability-related risks and opportunities across ESG dimensions. These strategic responses are aligned with the Group's operational priorities, regulatory requirements and long-term value creation objectives.

The Group's strategy focuses on strengthening operational resilience, enhancing compliance, improving workforce capabilities and reinforcing governance practices to ensure sustainable business growth.

### Environmental Strategy

In response to environmental risks such as energy consumption, emissions and regulatory compliance obligations, the Group has implemented initiatives to improve environmental performance and minimise operational impact.

### Energy and Emissions Management

To address rising energy costs and carbon-related risks, the Group is exploring the installation of rooftop solar PV systems to reduce reliance on grid electricity and lower greenhouse gas emissions. In addition, the use of LPG as a cleaner combustion fuel supports reduced emissions compared to conventional fuels.

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# SUSTAINABILITY STATEMENT

## 7. Strategy (CONT'D)

### Waste Management and Pollution Control

The Group maintains strict compliance with environmental regulations, including the Environmental Quality Act 1974 and its related regulations. Scheduled waste generated from operations is:

- Properly handled and stored
- Treated and disposed of at DOE-approved facilities
- Managed in accordance with regulatory requirements

This reduces the risk of environmental pollution, particularly in relation to industrial effluent, land contamination and water quality.

In addition, the Group promotes reuse and recycling practices, including the reuse of wooden pallets and recycling of scrap metals, to reduce waste generation and improve resource efficiency.

### Environmental Monitoring and Compliance

The Group conducts ongoing environmental monitoring programmes covering air emissions, water discharge, noise levels and waste management. Internal policies emphasise:

- Compliance with environmental laws and regulations
- Regular monitoring and reporting
- Continuous improvement in environmental performance

Environmental training programmes, including Scheduled Waste handling training, are conducted to enhance employee awareness and ensure regulatory compliance.

## Current and Anticipated Financial Effects and Effects on Strategy

Climate-related developments may influence Mikro's operations primarily through changes in energy costs, regulatory requirements and evolving stakeholder expectations on environmental performance.

As a manufacturing-based organisation, the Group's operations involve energy consumption from production processes, machinery usage and facility operations. Increases in electricity tariffs and fuel costs may result in higher operating expenses and affect overall cost efficiency. In addition, tightening environmental regulations may require further investments in compliance measures, monitoring systems and reporting capabilities.

In response, the Group has implemented and continues to explore initiatives aimed at improving energy efficiency and reducing environmental impact. These include optimising production processes, monitoring energy consumption and evaluating the feasibility of renewable energy solutions such as rooftop solar PV systems.

At present, no material financial impact arising from climate-related risks and opportunities has been identified during the reporting period. Nevertheless, the Group continues to monitor developments in energy markets, regulatory requirements and sustainability expectations to ensure timely response and effective risk management.

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# SUSTAINABILITY STATEMENT

## Strategic Outlook

Looking ahead, the Group will continue to enhance its environmental management practices as part of its broader sustainability strategy.

Key focus areas include:

- Improving energy efficiency across manufacturing and operational processes
- Strengthening internal monitoring of energy usage and environmental performance
- Enhancing sustainability data collection and reporting capabilities
- Increasing adoption of environmentally responsible practices across operations

The Group will also progressively improve its GHG emissions tracking, particularly in relation to indirect emissions associated with operational activities.

By strengthening internal processes and aligning with evolving regulatory and market expectations, Mikro aims to maintain operational efficiency while supporting long-term business resilience.



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## Climate-Related Risks and Opportunities Summary

Risk/Opportunity	Type	Time Horizon	Potential Impact on Business Model and Value Chain	Current Financial Impact	Our Response	Anticipated Financial Effects
Increased energy costs due to transition to low-carbon economy	Transition Risk (Regulatory /Market)	Short to Medium Term	Higher electricity and fuel costs affecting manufacturing operations and facility expenses	No material impact recognised	Monitoring energy consumption and implementing efficiency improvements; exploring renewable energy (e.g. solar PV)	Potential increase in operating costs, partially mitigated by energy efficiency initiatives
Tightening environmental regulations and compliance requirements	Transition Risk (Regulatory)	Medium to Long Term	Additional compliance costs, need for enhanced monitoring, reporting systems and operational adjustments	No material impact recognised	Strengthening environmental monitoring, compliance practices and internal reporting systems	Increased compliance costs but improved regulatory readiness and reduced risk exposure
Supply chain disruptions due to climate-related factors	Physical Risk (Indirect)	Medium to Long Term	Disruptions in availability of raw materials or components affecting production schedules	No material impact recognised	Strengthening supplier relationships, improving forecasting and diversifying sourcing strategies	Potential operational disruptions; mitigated through supply chain resilience measures
Improved energy and resource efficiency	Opportunity (Operational Efficiency)	Short to Medium Term	Reduced energy consumption and improved production efficiency leading to lower operating costs	No material impact recognised	Process optimisation, energy monitoring and adoption of efficient technologies	Gradual cost savings and improved operational efficiency
Adoption of renewable energy solutions	Opportunity (Transition)	Medium to Long Term	Reduced reliance on grid electricity and lower carbon footprint	No material impact recognised	Evaluating feasibility of rooftop solar PV installation	Long-term reduction in energy costs and improved environmental performance
Increasing stakeholder expectations on sustainability practices	Opportunity (Market/ Reputational)	Medium to Long Term	Enhanced brand reputation, customer trust and competitiveness	No material impact recognised	Strengthening ESG practices, compliance and sustainability reporting	Improved stakeholder confidence and potential business growth opportunities

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## Overall Financial Implications

Climate-related developments are expected to affect Mikro operations primarily through changes in operating costs and evolving regulatory requirements. These may include increases in energy prices, compliance-related expenditures and potential investments in environmental management practices.

During FP 2025, no material financial impact arising from climate-related risks or opportunities has been identified. Nevertheless, the Group continues to monitor relevant developments to ensure timely response and effective cost management.

The Group's ongoing focus on improving operational efficiency, optimising resource utilisation and strengthening environmental management practices is expected to support cost control and enhance long-term business resilience.

## Resilience of Climate Strategy – Scenario Analysis

The Group evaluates the resilience of its operations against climate-related risks using a qualitative scenario-based approach.

In view of the Group's manufacturing profile and current limitations in climate-related data, quantitative scenario modelling has not been performed for the reporting period. Instead, the Group assesses potential impacts based on key considerations, including changes in energy costs, regulatory developments and potential operational disruptions.

This approach enables the Group to better understand potential risk exposures and supports the integration of climate-related considerations into its risk management and strategic planning processes.

## Scenario Analysis Approach

Scenario Type	Application Status	Explanation
1.5°C Paris-aligned scenario	Not applied	Quantitative modelling has not been conducted due to the Group's current operational profile and the early stage of climate-related data development.
2°C scenario	Not applied	Quantitative modelling has not been undertaken as data availability and internal modelling capabilities are still being developed.
>2°C high warming scenario	Not applied	Quantitative scenario modelling has not been conducted for the current reporting period.
Qualitative climate scenario analysis	Applied	The Group assesses potential operational, supply chain and financial impacts under different climate-related scenarios using a qualitative approach.

Under a transition-focused scenario, the Group may face increasing regulatory requirements and heightened stakeholder expectations relating to environmental performance. This may require enhancements in sustainability disclosures, energy monitoring practices and internal data management systems.

Under a physical risk scenario, potential impacts may include indirect disruptions to supply chains, utilities or supporting infrastructure, which could affect production continuity. However, the Group's direct exposure to significant physical climate risks is currently assessed to be limited.

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## Resilience and Mitigation Approach

To strengthen resilience against climate-related risks, Mikro focuses on:

- Enhancing operational efficiency and energy management practices
- Strengthening supplier relationships and supply chain coordination
- Improving internal monitoring systems and sustainability data capabilities
- Integrating climate-related considerations into risk management processes

To strengthen resilience against climate-related risks, Mikro focuses on:

## Ongoing Development

The Group will continue to refine its climate-related scenario analysis approach as its data collection processes and internal capabilities improve. Future enhancements may include the adoption of quantitative modelling techniques, in line with evolving regulatory expectations and industry practices.

## Social Strategy

The Group recognises that its workforce is critical to operational success and long-term sustainability. Its social strategy focuses on employee wellbeing, capability development, safety and stakeholder engagement.

## Workforce Development and Capability Building

To address risks related to skills gaps and talent retention, the Group invests in continuous training and development. Training programmes include:

- Technical and engineering training (e.g. AutoCAD, embedded systems, SAP systems)
- Professional certifications (e.g. CEPSWAM, CePITSO)
- ESG and sustainability awareness programmes
- Leadership and competency development programmes

These initiatives enhance employee capabilities and support operational efficiency.

## Employee Engagement and Wellbeing

The Group promotes employee wellbeing through engagement initiatives such as:

- Company trips and team-building activities
- Annual dinners and employee recognition programmes
- Performance management and KPI-based evaluations

These initiatives enhance employee capabilities and support operational efficiency.

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## Social Strategy (CONT'D)

### Occupational Health and Safety

Workplace safety is prioritised through structured safety management practices, including:

- Safety induction programmes and regular training
- Safety briefings on machinery, fire drills and chemical handling
- Clear safety signage and communication across facilities

The Group also ensures compliance with occupational safety standards and maintains certifications such as ISO 45001:2018.

### Quality and Customer Satisfaction

The Group maintains strong quality management systems certified under ISO 9001:2015 and ISO 14001:2015, ensuring product reliability and customer satisfaction. Regular customer satisfaction surveys are conducted to improve service delivery and product performance.

## Current and Anticipated Financial Effects and Effects on Strategy

Social-related factors may influence the Group's operational performance primarily through workforce productivity, employee retention, training costs and workplace safety management.

As a manufacturing-based organisation, Mikro relies on skilled personnel across production, engineering and operational functions. Challenges such as talent shortages, employee turnover and workplace safety risks may result in increased recruitment, training and compliance costs. In addition, insufficient workforce engagement may impact productivity and operational efficiency.

To address these risks, the Group continues to invest in employee training and development programmes, including technical certifications, safety training and leadership development. Initiatives such as employee engagement activities, wellbeing programmes and structured performance management systems are also implemented to enhance workforce satisfaction and retention.

While no material financial impact has been recognised during FP2025, these initiatives are expected to contribute to improved operational efficiency, reduced turnover-related costs and enhanced workforce stability over time.

## Strategic Outlook

Looking ahead, the Group will continue to strengthen its human capital management practices to support long-term operational sustainability.

Key focus areas include:

- Enhancing workforce capability through continuous training and upskilling
- Strengthening occupational health and safety practices across operations
- Improving employee engagement, wellbeing and retention initiatives
- Supporting a performance-driven and accountable work culture

These efforts are expected to improve productivity, reduce operational disruptions and support the Group's long-term competitiveness.

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## Strategic Outlook (CONT'D)

### Governance Strategy

The Group's governance strategy focuses on strengthening internal controls, cybersecurity, supply chain resilience and regulatory compliance.

### Cybersecurity and Data Protection

To address cybersecurity risks, the Group has implemented:

- Password access controls and system authentication measures
- Network segmentation (VLAN) for enhanced security
- Hardware firewalls and antivirus systems

These measures protect critical systems and safeguard sensitive data.

### Supply Chain Management

To mitigate supply chain risks and ensure operational continuity, the Group adopts a structured supplier management approach:

- Selection of reliable and quality-certified suppliers
- Requirement for compliance with RoHS and technical specifications
- Evaluation of suppliers based on quality, delivery and performance
- Regular engagement with suppliers to improve forecasting and reduce disruptions

The Group also prioritises the use of commonly available components to reduce shortages and ensure consistent production.

### Regulatory Compliance and Ethical Practices

The Group maintains strict adherence to regulatory requirements and ethical standards, supported by:

- Anti-bribery and anti-corruption awareness programmes (e.g. MACC initiatives)
- Internal and external reporting systems
- Continuous monitoring of regulatory developments

### Industry Engagement

The Group participates in industry associations and professional networks, including:

- The Electrical and Electronics Association of Malaysia
- Federation of Malaysian Manufacturers
- SIRIM-related memberships

These engagements support knowledge sharing, regulatory awareness and continuous improvement.

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## Current and Anticipated Financial Effects and Effects on Strategy

Governance-related factors may impact the Group through regulatory compliance requirements, internal control systems, cybersecurity risks and supply chain management.

Non-compliance with applicable laws, including Bursa Malaysia requirements and environmental regulations, may result in financial penalties, legal exposure and reputational damage. In addition, cybersecurity threats and weaknesses in internal controls may lead to operational disruptions and potential financial losses.

The Group has implemented various governance measures, including strengthening internal control frameworks, enhancing cybersecurity infrastructure (e.g. firewall, access control and network segmentation) and establishing structured supplier evaluation processes. These measures aim to mitigate risks and ensure business continuity.

Although no material financial impact has been identified during FP2025, continued investment in governance systems, compliance processes and risk management capabilities may result in incremental costs. However, these are necessary to reduce exposure to significant financial and operational risks.

## Strategic Outlook

The Group will continue to enhance its governance framework to support transparency, accountability and effective risk management.

Key focus areas include:

- Strengthening regulatory compliance and internal control systems
- Enhancing cybersecurity and data protection capabilities
- Improving supply chain resilience through structured vendor management
- Advancing ESG data governance and reporting practices

These initiatives are expected to reduce risk exposure, improve operational reliability and strengthen stakeholder confidence, supporting sustainable long-term growth.

## 8. Risk Management

Mikro adopts a structured and integrated approach to managing sustainability-related risks and opportunities as part of its overall ERM framework. This approach ensures that ESG-related risks are evaluated alongside other key business risks, enabling consistent risk assessment, prioritisation and mitigation across the Group.

As a manufacturing and engineering-based organisation, the Group's sustainability-related risks arise from its operational processes, supply chain dependencies, regulatory environment and workforce dynamics. These risks are embedded within the ERM framework to support effective decision-making and strengthen long-term operational resilience.

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## 8. Risk Management (CONT'D)

### Risk Governance and Oversight

The Board has ultimate accountability for overseeing the Group's risk management framework, including sustainability-related risks and opportunities. The Board ensures that appropriate governance structures, policies and internal controls are established to support effective risk management.

The Risk Management Committee supports the Board by reviewing the effectiveness of the ERM framework and monitoring key risk exposures. This includes oversight of sustainability-related risks such as regulatory compliance, operational efficiency, supply chain disruptions and environmental impacts.

Management is responsible for the implementation and execution of risk management processes at the operational level. Sustainability-related risks are coordinated through the Sustainability Committee, with designated risk owners accountable for identifying, monitoring and managing specific risk areas.

### Integration with Enterprise Risk Management (ERM)

Sustainability-related risks are fully integrated into the Group's ERM framework, which is guided by the principles of ISO 31000 Risk Management. This ensures that ESG risks are assessed using a consistent methodology applied across all business functions.

Risks are identified, assessed and prioritised based on a structured evaluation framework that considers:

- Potential financial and operational impact
- Likelihood of occurrence
- Time horizon (short-, medium- and long-term)
- Level of operational dependency and business criticality

Both qualitative assessments and available quantitative data are used to evaluate risk exposure. Where necessary, management judgement is applied to ensure that the assessment remains proportionate to the Group's size and operational complexity.

This integrated approach enables consistent risk reporting, prioritisation and mitigation across the organisation.

### Risk Monitoring and Mitigation

Responsibility for managing identified risks is assigned to relevant members of senior management, supported by the Sustainability Committee and designated risk owners.

Key risk management activities include:

- Monitoring key risk indicators and operational performance metrics
- Implementing internal controls and mitigation measures
- Conducting periodic risk reviews and updates
- Ensuring compliance with regulatory and internal requirements
- Escalating significant risks to the Risk Management Committee and the Board

Sustainability-related risks are reviewed regularly as part of the Group's ERM cycle to ensure that emerging risks are identified and addressed in a timely manner.

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## Risk Identification Approach

The Group identifies sustainability-related risks and opportunities through ongoing risk assessment processes integrated within its operational and strategic planning activities.

Key risk areas are assessed across:

- Environmental factors, including energy use, waste management and regulatory compliance
- Operational processes, including production efficiency and supply chain reliability
- Workforce-related factors, including health, safety and capability
- Governance aspects, including internal controls, compliance and business ethics

The identification process incorporates both internal and external sources of information, such as operational data, audit findings, regulatory developments and industry trends.

Where relevant, qualitative scenario analysis is applied to assess potential impacts from climate-related developments, particularly those affecting energy costs, regulatory requirements and operational continuity.

## Identification of Opportunities

Sustainability-related opportunities are identified alongside risks as part of the same evaluation process.

These opportunities may arise from:

- Improvements in operational efficiency and resource utilisation
- Adoption of new technologies and process optimisation
- Strengthening of governance practices and compliance systems
- Market opportunities driven by increasing demand for sustainable practices

Each opportunity is assessed based on its feasibility, alignment with strategic priorities and potential contribution to financial performance before being implemented.

## Continuous Improvement

The Group adopts a continuous improvement approach to its risk management practices. As sustainability reporting requirements evolve and data availability improves, the Group will continue to enhance its methodologies, systems and internal controls.

By embedding sustainability considerations within its ERM framework, Mikro ensures that ESG-related risks and opportunities are systematically managed alongside other business risks, supporting informed decision-making, operational resilience and sustainable long-term growth.

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## 9. Metrics and Targets

Mikro tracks a range of sustainability-related metrics to monitor its exposure to climate-related risks and opportunities, as well as broader ESG matters. These indicators support the Group in evaluating performance, identifying improvement areas and tracking progress towards its sustainability objectives.

In line with the phased implementation approach under IFRS S1 and the NSRF, disclosures for FY2025 are primarily focused on climate-related metrics. Additional ESG indicators are monitored internally to support management oversight and continuous improvement.

### Climate Metrics

#### Greenhouse Gases Emissions

The Group quantifies its GHG emissions in accordance with the GHG Protocol: Corporate Accounting and Reporting Standard, to the extent applicable to its operations and consistent with IFRS Sustainability Disclosure Standards.

As a manufacturing-based organisation, the Group's emissions profile is primarily driven by:

- Electricity consumption in production facilities and offices (Scope 2)
- Fuel usage for company vehicles and machinery (Scope 1)

Disclosures are prepared with reference to the NSRF, with IFRS requirements applied where relevant.

#### Scope 1 emission (tCO<sub>2</sub>e)

Scope 1 emissions represent direct emissions from sources owned or controlled by the Group. These mainly arise from fuel consumption in company vehicles and, where applicable, machinery or equipment.

Emissions are calculated using a fuel-based method, applying actual fuel consumption data and recognised emission factors.

	2025
Diesel (the Group's vehicle fuel consumption)	37.20
Fuel (company car and assets)	121.85
<b>Total emissions</b>	<b>159.05</b>

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## 9. Metrics and Targets (CONT'D)

Category	Emission source	Measurement methodology	Activity data	Emissions factor source
Mobile combustion	Petrol (company vehicles)	Fuel-based method	Litres purchased × emission factor	Department for Energy Security & Net Zero by fuel type (UK)
	Diesel (vehicles & machinery)	Fuel-based method	Litres purchased × emission factor	Department for Energy Security & Net Zero by fuel type (UK)
	Hybrid vehicles <sup>1</sup>	Fuel-based method (petrol component only)	Litres purchased × emission factor	Department for Energy Security & Net Zero by fuel type (UK)
Stationary combustion	Diesel (equipment/generators, if applicable)	Fuel-based method	Litres purchased × emission factor	Department for Energy Security & Net Zero by fuel type (UK)
Fugitive emission	Refrigerants (e.g. air-conditioning systems)	Mass-balance method (preferred) or estimation method	(Opening refrigerant stock + purchases – closing stock – recovered refrigerant) OR top-up quantities	Department for Energy Security & Net Zero by fuel type (UK)

<sup>1</sup> For hybrid vehicles, only the fuel combustion component is included in Scope 1. Electricity consumption (if applicable) is included under Scope 2.

### Scope 2 emission (tCO<sub>2</sub>e)

Scope 2 emissions relate to indirect emissions from purchased electricity consumed across the Group's facilities, including manufacturing operations, offices and supporting infrastructure. These emissions are calculated using a location-based method based on electricity consumption data and applicable Malaysian grid emission factors.

	2025
Electrical (MWH)	111.14
<b>Net operational emissions</b>	<b>82.24</b>

Category	Emission source	Measurement methodology	Activity data	Emissions factor source
Purchased electricity	Electricity consumption	Location-based method	Electricity meter readings (kWh) × grid emission factor	Malaysian grid emission factor (published by government authority)

Electricity consumption remains the primary contributor to the Group's overall emissions profile.

### Scope 3 emission (tCO<sub>2</sub>e)

The Group adopts a phased approach in developing its Scope 3 greenhouse gas inventory, taking into consideration its current reporting maturity under the NSRF.

Scope 3 emissions are not disclosed for the current reporting period, as the Group is prioritising the establishment of robust data collection frameworks and engagement with its value chain.

The Group will progressively expand its Scope 3 disclosures to include relevant upstream and downstream categories as part of its ongoing enhancement of sustainability reporting practices.

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## Inventory Boundary

The Group applies the equity share approach in defining its organisational boundary for GHG reporting. Emissions are accounted for based on the Group's proportionate ownership in its subsidiaries, reflecting its economic exposure to sustainability-related impacts.

This approach has been applied consistently throughout the reporting period.

## Climate-Related Targets

To support long-term environmental performance, the Group has established internal emissions reduction targets aimed at improving energy efficiency and managing emissions.

These targets are voluntary and will be reviewed periodically.

Information	Target 1	Target 2
Metric	Total Scope 1, 2 emissions	Total Scope 2 emissions
Objective	Support long-term alignment with global climate transition objectives	Improve electricity-related emissions performance
Coverage	Consolidated Group	
Target Period	5 years	
Target Level	5% reduction	3% reduction
Base Year	2025	
Third-party Validation	No	
Carbon Credits Usage	Not planned	
Review Process	Subject to annual review by the Board as part of sustainability reporting	

Progress is monitored internally and reported to the Board to ensure alignment with sustainability objectives.

Key initiatives supporting these targets include:

- Improving energy efficiency in operations
- Monitoring electricity consumption
- Exploring renewable energy solutions (e.g. solar PV)
- Enhancing internal data tracking and reporting systems

### Climate-Related Transition Risks

The Group may be exposed to transition-related risks arising from:

- Increasing regulatory requirements on sustainability disclosures
- Rising energy costs and potential policy changes
- Growing stakeholder expectations on environmental performance

The Group actively monitors regulatory developments and market trends to maintain compliance and readiness.

### Climate-Related Physical Risks

Direct exposure to physical climate risks is currently limited. However, indirect risks may arise from disruptions to utilities, supply chains or supporting infrastructure, which may affect operational continuity.

To manage these risks, the Group focuses on maintaining reliable supplier relationships and strengthening operational resilience.

### Climate-Related Opportunities

Climate-related developments present opportunities for the Group to:

- Improve operational efficiency through better resource management
- Enhance sustainability practices and reporting
- Strengthen stakeholder confidence and competitiveness
- Explore renewable energy and energy-saving initiatives

While no material financial impact has been identified in FY2025, the Group continues to evaluate these opportunities as part of its long-term strategy.

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## Water Management (megalitres)

Water consumption is an important environmental consideration for the Group, as inefficient usage may contribute to resource depletion and increased operational impact on local water systems. As part of its environmental management practices, the Group monitors water usage across its operations to support responsible resource utilisation.

The Group seeks to manage water consumption through operational controls, monitoring practices and ongoing awareness of resource efficiency. These efforts are aimed at supporting sustainable operations while minimising potential environmental impact.

### Our Approach and Performance

The Group tracks water consumption as part of its internal environmental monitoring processes. Water is primarily used for operational and facility-related purposes within its manufacturing activities.

Water consumption for the reporting period is as follows:

	2025
Total water consumption:	<b>3.64</b>

Water consumption remained relatively an increase in FP 2025. This increase is attributable to an extended reporting period of 18 months and higher operational activity levels. Despite the rise in total volume, water intensity (Megalitres per RM'000) decreased to 0.05 compared to 0.06 in the prior reporting period.

The Group will continue to enhance its monitoring practices and assess opportunities to improve water efficiency as part of its ongoing sustainability efforts.

### Measurement Considerations

Water consumption data is derived from internal records based on available measurement and billing information. As data collection processes continue to be refined, there may be improvements in data completeness and accuracy in future reporting periods.

### Social Metrics

#### Diversity, Equity & Inclusion

The Group is committed to fostering a workplace that promotes diversity, equity and inclusion, and is free from all forms of unlawful discrimination. Employment-related decisions are made based on merit, performance and business needs, without regard to race, colour, gender, religion, age, disability or other legally protected characteristics.

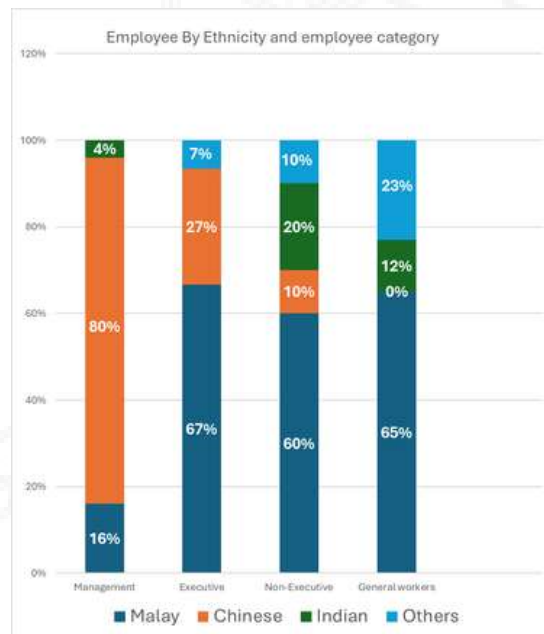
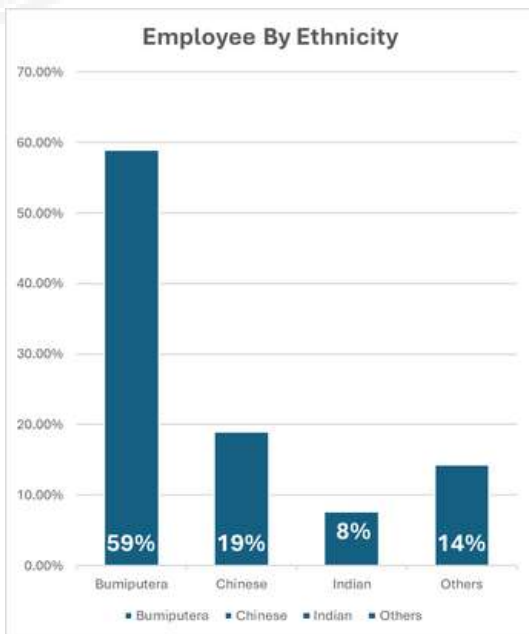
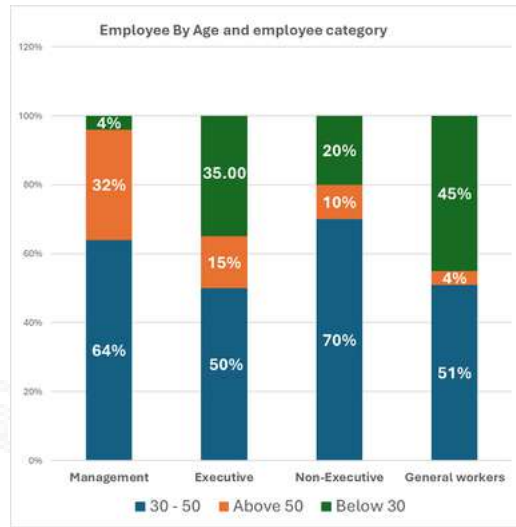
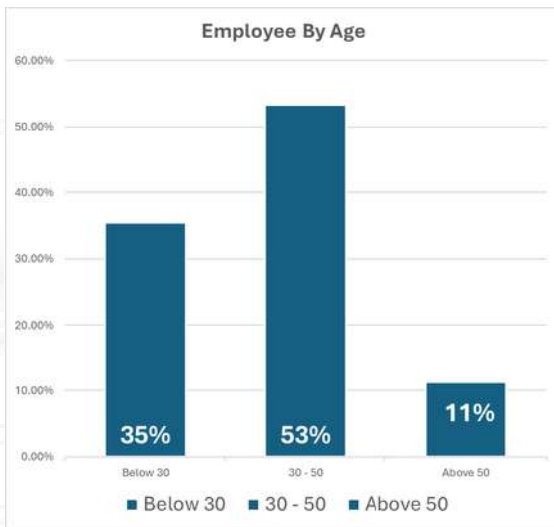
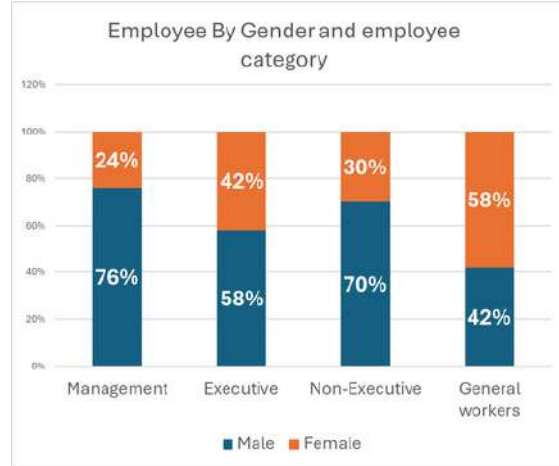
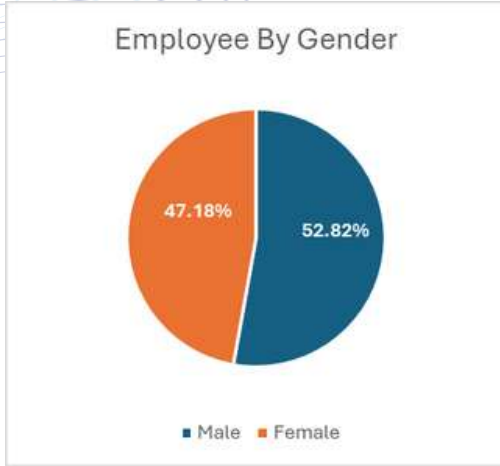
The Group seeks to cultivate an inclusive working environment where employees are treated with respect and provided with equal opportunities for development and advancement. This includes promoting fair employment practices, supporting workforce diversity across different levels of the organisation, and encouraging a culture of mutual respect.

By embedding diversity and inclusion within its organisational practices, the Group aims to enhance employee engagement, strengthen talent retention and support sustainable business performance.

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## Diversity, Equity & Inclusion (CONT'D)

The charts below present the Group's board diversity and workforce composition by gender and age group.



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## Diversity, Equity & Inclusion (CONT'D)

The Group continues to monitor diversity metrics and will progressively enhance its policies and practices in line with evolving regulatory and stakeholder expectations.

## Labour Standards and Human Rights

The Group is committed to maintaining fair and equitable labour practices across its operations. This includes promoting a work environment that respects diversity, prohibits discrimination and supports equal opportunities for all employees. The Group's approach to labour standards and human rights is guided by its internal policies and applicable regulatory requirements. These policies outline expected standards of conduct in relation to workplace practices, employee welfare and the protection of individual rights.

## Our Approach and Performance

The Group seeks to uphold human rights principles through the implementation of internal policies, employee awareness and standard operating procedures across its operations. These measures are designed to support fair treatment, prevent discrimination and promote a respectful working environment.

	2025
Number of substantiated complaints concerning human rights violations:	0

No reported or substantiated human rights violations were recorded during the reporting period.

The Group will continue to monitor workplace practices and strengthen its internal processes to support compliance with labour standards and human rights expectations.

## Health and Safety

Mikro is committed to maintaining a safe and healthy working environment for its employees, contractors and other stakeholders. The Group recognises that effective health and safety management is essential to operational continuity and sustainable business performance.

The Group's primary objective is to prevent work-related injuries and illnesses through the implementation of appropriate safety measures, risk controls and continuous monitoring.

## Our Approach and Performance

In accordance with the Group's Safety and Health Policy, health and safety considerations are integrated into operational activities to support the achievement of strategic objectives and service quality standards.

The Group's commitments include:

- Continuous improvement of health and safety performance through the identification of hazards, implementation of risk controls, and prevention of incidents, injuries and occupational illnesses
- Compliance with applicable laws and regulations relating to occupational safety and health
- Provision of a safe and healthy workplace, safeguarding the welfare of employees, contractors and relevant stakeholders

To support these commitments, the Group has established a Safety and Health Committee, which is responsible for overseeing health and safety practices, monitoring compliance and promoting continuous improvement initiatives across the organisation.

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## Our Approach and Performance (CONT'D)

The Group also conducts periodic health and safety training and awareness programmes to ensure that employees understand and comply with established safety procedures. These programmes are reviewed and enhanced on an ongoing basis to strengthen workforce awareness and capability.

### Community Investment

Mikro recognises the importance of maintaining constructive relationships with local communities and contributing to their social well-being. The Group seeks to support community development through targeted initiatives that address local needs and create positive social impact.

The Group's approach focuses on responsible engagement, transparency and the promotion of employee participation in community-related activities.

### Our Approach and Performance

The Group supports community initiatives through financial contributions and employee involvement in selected programmes.

During FP 2025, the Group organised a community service initiative at a local orphanage. A total of 13 employees participated in the programme, providing haircutting services for the children and carrying out basic facility repairs. The Group contributed RM8,990 towards this initiative, benefiting 34 children.

The Group will continue to support community engagement initiatives and encourage broader employee participation over time.

The table below summarises the Group's community contributions:

	2025
Total community investment (RM)	8,990
Number of beneficiaries	34

### Governance Metrics

#### Anti-Corruption

Mikro is committed to conducting its business with integrity and in compliance with applicable laws and regulations. The Group maintains policies and practices to prevent bribery, corruption and other forms of unethical conduct, in line with its corporate governance framework and the principles set out in the Malaysian Code on Corporate Governance.

The Group also recognises its obligations under Malaysian Anti-Corruption Commission Act 2009, which imposes corporate liability on organisations for corrupt practices committed by associated persons. In this regard, the Group continues to strengthen its policies, procedures and internal controls to support the implementation of adequate procedures in line with regulatory expectations.

The Board oversees the Group's governance framework, including risk management and internal control systems, to support ethical business practices across the organisation.

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## Our Approach and Performance

The Group has established a Code of Conduct, supported by an Anti-Bribery and Corruption (ABC) Policy and a Whistleblowing Policy, which provide guidance on the prevention, detection and reporting of misconduct.

A whistleblowing channel is available to enable employees and external parties to report concerns. Reports are handled in accordance with established procedures, with appropriate safeguards in place to maintain confidentiality.

The Group adopts a zero-tolerance approach towards bribery, corruption, fraud, money laundering and insider trading, and continues to enhance its control environment in line with the T.R.U.S.T. principles on adequate procedures.

For FP 2025, based on available internal records and reporting mechanisms, no confirmed incidents of corruption were reported across the Group's operations.

## Cybersecurity and Data Protection

Mikro is committed to safeguarding its information assets and protecting customer data through appropriate cybersecurity and data protection measures. The Group manages cybersecurity risks as part of its overall risk management and internal control framework, in compliance with applicable laws and regulations, including the Personal Data Protection Act 2010.

## Our Approach and Performance

The Group has established policies and controls to protect the confidentiality, integrity and availability of information. This includes the implementation of access controls, network security measures and system protection tools to mitigate cybersecurity risks.

Key measures implemented by the Group include:

- Controlled system access through password protection and user authentication
- Deployment of firewall protection and network segmentation
- Use of antivirus and endpoint protection software
- Maintenance and monitoring of IT infrastructure to support system security

The Group continues to review and enhance its cybersecurity controls to address evolving risks and operational requirements.

For FP 2025, based on available internal records and monitoring processes, no substantiated complaints regarding breaches of customer privacy or loss of customer data were reported.

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## ESG Metrics

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Environmental	Total volume of water used	Megalitres	3.64	—	Internal
Social	Age Group – Management Under 30	Percentage	4.00	—	Internal
Social	Age Group – Management Between 30-50	Percentage	64.00	—	Internal
Social	Age Group – Management Above 50	Percentage	32.00	—	Internal
Social	Age Group – Executive Under 30	Percentage	35.00	—	Internal
Social	Age Group – Executive Between 30-50	Percentage	50.00	—	Internal
Social	Age Group – Executive Above 50	Percentage	15.00	—	Internal
Social	Age Group – Non-executive/Technical Staff Under 30	Percentage	20.00	—	Internal
Social	Age Group – Non-executive/Technical Staff Between 30-50	Percentage	70.00	—	Internal
Social	Age Group – Non-executive/Technical Staff Above 50	Percentage	10.00	—	Internal
Social	Gender Group – Management Male	Percentage	76.00	—	Internal
Social	Gender Group – Management Female	Percentage	24.00	—	Internal
Social	Gender Group – Executive Male	Percentage	58.33	—	Internal
Social	Gender Group – Executive Female	Percentage	41.67	—	Internal
Social	Gender Group – Non-executive/Technical Staff Male	Percentage	70.00	—	Internal
Social	Gender Group – Non-executive/Technical Staff Female	Percentage	30.00	—	Internal
Social	Male Directors	Percentage	8750	—	Internal

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## ESG Metrics

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Social	Female Directors	Percentage	12.50	—	Internal
Social	Directors Under 30	Percentage	0.00	—	Internal
Social	Directors Between 30-50	Percentage	50.00	—	Internal
Social	Directors Above 50	Percentage	50.00	—	Internal
Social	Number of work-related fatalities	Number	0.00	—	No assurance
Social	Lost time incident rate ("LTIR")	Rate	0.00	—	No assurance
Social	Number of employees trained on health and safety standards	Number	92	—	Internal
Social	Management Training Hours	Hours	317	—	Internal
Social	Executive Training Hours	Hours	32	—	Internal
Social	Non-executive/Technical Staff Training Hours	Hours	28	—	Internal
Social	Percentage of employees that are contractors or temporary staff	Percentage	0	—	No assurance
Social	Total number of employee turnover – Management	Number	6	—	Internal
Social	Total number of employee turnover – Executive	Number	16	—	Internal
Social	Total number of employee turnover – Non executive/Technical Staff	Number	1	—	Internal
Social	Number of substantiated complaints concerning human rights violations	Number	0	—	Internal
Social	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	8,990	—	Internal

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## ESG Metrics

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Social	Total number of beneficiaries of the investment in communities	Number	34	—	Internal
Governance	Percentage of Management who have received training on anti-corruption by employee category	Percentage	0.00	—	Internal
Governance	Percentage of Executive who have received training on anti-corruption by employee category	Percentage	0.00	—	Internal
Governance	Percentage of Non-executive/Technical Staff who have received training on anti-corruption by employee category	Percentage	0.00	—	Internal
Governance	Percentage of operations assessed for corruption-related risks	Percentage	60.00	—	Internal
Governance	Confirmed incidents of corruption and action taken	Number	0	—	Internal
Governance	Proportion of spending on local suppliers	Percentage	71.57	—	Internal
Governance	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	Internal

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## ESG Metrics

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Environmental	Total energy consumption	Megawatt	11114	—	External (Limited)
Environmental	Scope 1 emissions in tonnes of CO2e	Metric tonnes	159.05	—	External (Limited)
Environmental	Scope 2 emissions in tonnes of CO2e	Metric tonnes	82.24	—	External (Limited)

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## 10. External Assurance

To enhance the credibility and reliability of selected sustainability disclosures, Mikro has appointed ASAP Advisory PLT ("ASAP") as an independent assurance provider to perform a limited assurance engagement on selected sustainability indicators.

The assurance engagement was conducted in accordance with ISAE 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information, at a limited assurance level. Details of the scope, procedures performed and the assurance conclusion are presented in the Independent Assurance Report included within this Sustainability Statement.

ASAP operates independently of the Group's management and internal functions. The independence of the assurance provider was assessed in accordance with the International Ethics Standards Board for Accountants ("IESBA") Code of Ethics, with appropriate safeguards implemented to ensure objectivity, impartiality and professional integrity throughout the engagement.

The Group remains committed to continuously improving its sustainability reporting practices, including strengthening internal data management processes and enhancing the quality, accuracy and completeness of its disclosures.

## 11. Events After the Reporting Period

The Group has evaluated events occurring after the reporting period up to the date of approval of this Sustainability Statement.

Based on this assessment, no significant events have been identified that would require disclosure or adjustment to the information presented in this report.

## 12. Stakeholder Feedback

Mikro values stakeholder feedback as an important component of its sustainability journey and ongoing commitment to transparency. Feedback from stakeholders provides valuable insights that support the continuous enhancement of the Group's sustainability disclosures and practices.

All feedback received is reviewed by management and, where appropriate, escalated to the ARMC for further evaluation and action.

Stakeholders who wish to provide feedback, enquiries or suggestions regarding this Sustainability Statement may contact the Group at: [mikro@itmikro.com](mailto:mikro@itmikro.com)

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# SUSTAINABILITY STATEMENT



ASAP ADVISORY PLT  
No 17-04, Blok B, Austin V, Jalan Austin Perdana 3/2,  
Taman Austin Perdana, 81100 Johor Bahru, Johor.  
Tel: 07-3595983

## INDEPENDENT LIMITED ASSURANCE STATEMENT

Independent Limited Assurance Statement to the Directors of Mikro MSC Berhad (“Mikro”) on Sustainability Metrics within the Sustainability Report 2025.

### Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter as presented in Mikro’s Sustainability Statement 2025 have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

### Scope of Work

ASAP Advisory PLT (“ASAP” or “we”) was engaged by Mikro to perform a ‘limited assurance engagement,’ as defined by the International Standard on Assurance Engagements (“ISAE”) 3000 Revised, Assurance Engagement other than Audits or Reviews of Historical Financial Information, on selected subject matters (“Subject Matter”) included in Mikro’s 2025 Sustainability Statement (“SS 2025”) for the financial period ending 31 st December 2025.

### Subject Matter

Our limited assurance engagement was performed for the Subject Matter listed in the table below, as presented in the SS 2025:

Material Matters	Subject Matter	Scope
Climate Change	Total energy consumption	Operations assessed: Malaysia
	Scope 1 emissions in tonnes of CO <sub>2</sub> e	
	Scope 2 emissions in tonnes of CO <sub>2</sub> e	

The scope of our work was limited to the Subject Matter presented in the SS 2025 and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter and related disclosures; nor did it include information reported outside of the SS 2025, comparisons against historical data, or management’s forward-looking statements.

### Criteria applied by Mikro

In preparing the Subject Matter mentioned above, Mikro applied the following criteria:

- FRS Sustainability Disclosure Standards, including IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures
- Recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”)
- Principles of the International Integrated Reporting Framework issued by the IFRS Foundation
- Mikro’s internal policies, procedures and reporting methodologies



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## *Mikro's Responsibilities*

Mikro's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

## *ASAP's responsibilities*

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter and related disclosures as presented in the SS 2025 are not prepared, in all material respects, in accordance with the Criteria.

We have performed our limited assurance engagement in accordance with the terms of reference for this engagement agreed with Mikro, including performing the engagement in accordance with the ISAE 3000, issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matter and related disclosures as presented in the SS 2025 are free from material misstatement.

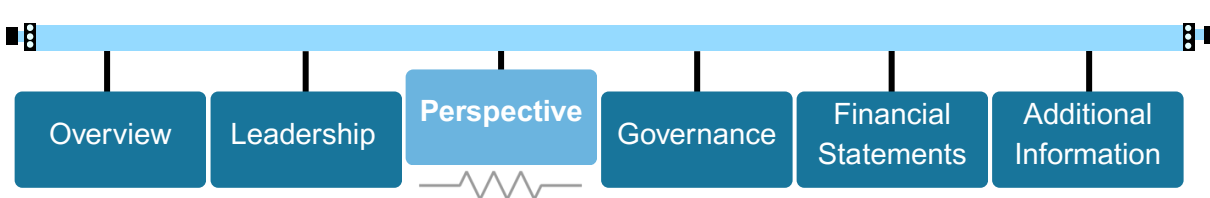
A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of Mikro's use of the criteria specified as the basis of preparation used for the selected Subject Matter and related disclosures presented in the SS 2025, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter and related disclosures in the SS 2025. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

## *Our Independence and Quality Control*

This assurance engagement was conducted in accordance with the firm's system of quality management established under the International Standard on Quality Management 1 ("ISQM 1"), which requires the firm to design, implement and operate a system of quality management to provide reasonable assurance that engagements are performed in accordance with applicable professional standards and regulatory requirements.

The firm applies policies and procedures addressing leadership responsibilities for quality, ethical requirements, client acceptance and continuance, engagement performance, resources, information and communication, and monitoring activities.

Independence has been maintained in accordance with the ethical requirements of the International Ethics Standards Board for Accountants ("IESBA") Code of Ethics. The assurance engagement was performed in accordance with ISAE 3000 (Revised), taking into consideration relevant sustainability reporting frameworks, including the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2).



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## *Statement of Independence and Competence*

ASAP provides a range of services, including internal audit, internal control review, risk management, and environmental, social, and ethical auditing and training. Additionally, we offer assurance services for environmental, social, sustainability, and ESG reports.

We affirm our independence from Mikro, ensuring objectivity, freedom from bias, and the absence of conflicts of interest with the organisation, its subsidiaries, and stakeholders. For this assurance engagement, a specialised team was carefully assembled based on their expertise, experience, and relevant qualifications, ensuring a thorough and credible review.

ASAP's role and independence were assessed in accordance with professional ethical requirements, and adequate safeguards were implemented to preserve assurance integrity.

## *Description of Procedures Performed*

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained.

In a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

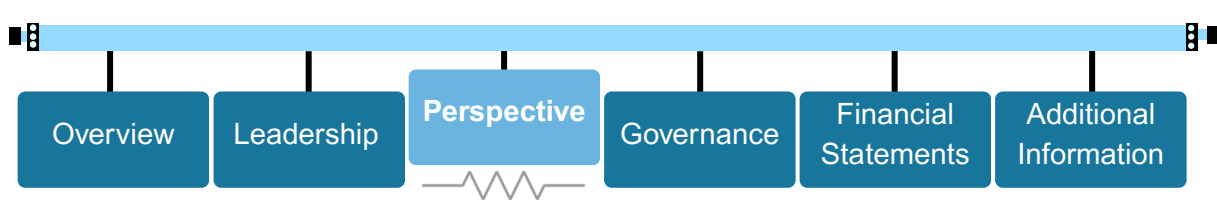
Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Gaining an understanding of Mikro's business, internal processes and approach to sustainability
- Conducting interviews with key personnel and collating evidence to understand Mikro's process for reporting performance indicators and disclosures, including inquiring regarding risks of misstatement and quality controls to address risks
- Conducting limited assurance procedures over the selected Subject Matter and disclosures, including:



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## Description of Procedures Performed (CONT'D)

- Undertaking analytical procedures to support the reasonableness of the data
- Checking that the calculation Criteria have been applied in accordance with the methodologies for the Subject Matter within the Statement
- Identifying and testing assumptions supporting calculations
- Testing, on a sample basis, underlying source information to check accuracy of the data
- Performing recalculations of performance indicators using input data
- Checking that measurements made at the end of the reporting period are timely entered in the records and the sustainability statement
- Obtaining appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities

We also performed such other procedures as we considered necessary in the circumstances.

## Inherent Limitations

Inherent limitations of assurance engagements include use of judgement and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our limited assurance engagement is not designed to detect fraud or error that is immaterial.

There are additional inherent risks associated with assurance engagements performed for non-financial information given the characteristics of the subject matter and associated with the compilation of source data using definitions and methods for determining, calculating, and estimating such information that are developed internally by management. The absence of a significant body of established practice on which to draw, allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. In particular, where the information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

## Other Matters

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the SS 2025. The maintenance and integrity of Mikro's website is the responsibility of Mikro's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the Subject Matter and related disclosures, the SS 2025 or to our independent limited assurance report that may have occurred since the initial date of presentation on Mikro's website.

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## *Restriction of use*

Our work has been undertaken to enable us to express a limited assurance conclusion on the matters stated above in our report provided to the directors of Mikro in accordance with the terms of our engagement, and for no other purpose.

Our report is intended solely for the directors of Mikro and should not be used by any other parties. To the fullest extent permitted by the law, we do not accept or assume liability to any party other than the directors of Mikro, for our work, for this report, or for the conclusion we have reached.

We agree to the publication of this assurance report in Mikro's SS 2025 for the financial period ending 31st December 2025, provided it is clearly understood by recipients of the SS 2025 that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of this report.

**ASAP Advisory PLT**  
201804000474 (LLP0014854-LGN)

Johor Bahru, Malaysia

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## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Mikro MSC Berhad (“**the Company**”) recognises the importance of corporate governance and is committed to ensuring that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance (“**MCCG**”) are observed and practised throughout the Company and its subsidiaries (collectively referred to as “**the Group**”) so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders’ investment and ultimately enhancing shareholders’ value.

This statement is prepared in compliance with ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and it is meant to be read together with the Corporate Governance Statement and Corporate Governance Report. The Corporate Governance Report provides details on how the Company has applied each practice as set out in the MCCG for the financial period ended 31 December 2025 (“**FP2025**”), a copy of which is available on the Company’s website.

This statement further outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in MCCG and the Board will continue to take measures to improve compliance with principles and recommended best practices in the ensuing years:

- Board Leadership and Effectiveness
- Effective Audit and Risk Management
- Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### I. BOARD RESPONSIBILITIES

The Board has considered and discussed a wide range of matters during the FP2025, including strategic decisions and reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board seeks to ensure that the decisions were taken in a way that was fair and consistent with the Group’s values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established various committees where specific powers of the Board are delegated to the relevant Board Committees.

#### II. BOARD COMPOSITION

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage.

In evaluating the suitability of individual Board members, the Nomination Committee (“**NC**”) takes into account several factors, including skills, knowledge, expertise, experience, professionalism, integrity and time availability to effectively discharge his or her role as a Director, contribution, background, character, integrity and competence. In the case of candidates for the position of Independent Non-Executive Directors, the NC will evaluate the candidates’ ability to discharge their responsibilities or functions as expected from Independent Non-Executive Directors.

The Board currently has one (1) female Director, and with the current composition, the Board feels that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively. Moving forward, the Board, being in line with the national target of having 30% women on the boards of the listed issuers, will maintain a register of potential directors which include high-calibre female candidates and appoint them when the need arises.

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## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### III. REMUNERATION

The Board has in place a Directors' and Senior Management Remuneration Policy which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Group. In this regard, the Remuneration Committee ("RC") is responsible to formulate and review the remuneration policies for the Directors of the Company to ensure the same remain competitive, appropriate and in line with the prevalent market practices.

The Board carries out a remuneration review for its employees including that of Senior Management, with the view to ensure that the Group continues to retain and attract the best talents in the industry. The proposed salary structure was considered by the RC and subsequently approved by the Board for implementation.

### PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. AUDIT COMMITTEE

The Audit Committee ("AC") plays a key role in ensuring integrity and transparency of corporate reporting. The AC's role is to review and challenge Management to ensure that appropriate disclosures of accounting treatment and accounting policies are made. The AC has a duty to provide assurance to the Board that robust risk management, controls and assurance process are in place. The AC continues to monitor the potential risks of the Group and ensures that mitigating factors are in place to see to the health, safety and business continuity of the Group.

Annually, the composition of the AC is reviewed by the NC and recommended to the Board for their approval. With the view to maintain an independent and effective AC, the NC ensures that only Directors who have the appropriate level of expertise and experience and have the strong understanding of the Group's business would be considered for membership on the AC.

#### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management is a critical component of good management practice and effective corporate governance. With the Risk Management Framework being in place, the Board's decision-making is supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from the Management are also critical in ensuring that appropriate monitoring and mitigations are embedded to support the proposals under discussion.

The Board will continue to drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture. The Board will also continue to challenge the Group's risk reporting mechanism and ensure that it is data-driven to capture and quantify exposures where applicable and necessary.

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

#### I. COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of stakeholder engagement leading to the long-term sustainability of its businesses. As a responsible corporate citizen, the Group must interact with stakeholders and also acknowledge the potential impact that its operations may have on a wide range of stakeholders. For engagement to be constructive and meaningful, each matter considered by the Board therefore has to be in the context of relevant economic, social and environmental factors.

The Company has heightened its engagement efforts with stakeholders by engaging discussions with analysts, fund managers and shareholders, both locally and overseas, upon requests.

Moving forward, the Board intends to adopt a more mature form of sustainability reporting to stakeholders by implementing the International Integrated Reporting Framework in the Annual Report, allowing stakeholders to have a better understanding on the Group's sustainability.

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# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

### II. CONDUCT OF GENERAL MEETINGS

The Company's Annual General Meeting ("AGM") is an important means of communicating with its shareholders. To ensure effective participation of an engagement with the shareholders at the AGM of the Company, all members of the Board would be present at the meeting to respond to questions raised by shareholders and proxies. In addition, the Chairman of the Board would chair the AGM in an orderly manner and encourage the shareholders and proxies to speak at the meeting. The overall performance of the Chairman would be presented at the meeting.

In line with good governance practices, the notice of the AGM would be issued at least twenty (28) days before the AGM date and the AGM is conducted through poll. The Company will continue to explore and leverage on technology, to enhance the quality of engagement with its shareholders to facilitate further participations by shareholders at the AGM of the Company.

### PRELUDE

Over the next few pages, we would look at the Board, its role, performance and oversight. We will provide details on the Board's activities and discussions during the financial year, the actions arising from these and the progress made against them. We also provide an insight on director independence effectiveness and our Board evaluation, succession planning and induction and ongoing developments.

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# CORPORATE GOVERNANCE STATEMENT

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

#### 1. Board of Directors

Mikro MSC Berhad (“**the Company**”) and its subsidiaries (“**the Group**”) acknowledge the pivotal role played by the Board of Directors (“**the Board**”) in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders’ value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good governance and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board’s responsibilities, amongst others include the following:

- a) Lead and manage the Company in an effective and responsible manner;
- b) Establish the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the management and monitoring the performance of the management;
- c) Monitor financial outcomes and the integrity of internal and external reporting, in particular approving annual budgets and longer term strategic and business plans;
- d) Assess the effectiveness of the Board of Directors as a whole, the Committees of the Board and the contribution of each Director;
- e) To identify principal risks and to ensure the implementation of appropriate systems to protect the company’s assets and to minimise the possibility of the Company operating beyond acceptable risk parameters;
- f) To keep pace with the modern risk of business and other aspects of governance that encourage enhancement of effectiveness in Board and management;
- g) To review the adequacy and integrity of the Group’s internal control systems and management information systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- h) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Board and the key management;
- i) Establish and review annually corporate communication policies with respect to the following:
  - (i) How the Company interacts with analysts, investors, other key stakeholders and the public.
  - (ii) Measures for the corporation to comply with its continuous and timely disclosure obligations.
- j) For each member of the Board of Directors, act as representatives of the Company in
  - (i) Enhancing the Group’s public image, reputation and credibility.
  - (ii) Providing contacts or network for the Group.
  - (iii) Being loyal to the Group.
  - (iv) Supporting the decisions of the majority of the Board of Directors.
  - (v) Identifying, evaluating and carrying out profitable business opportunity for the Group, as well as proving the Group with information on the market in which it operates.
- k) Ensure all new Directors receive comprehensive orientation to fully understand the role of the Board of Directors and its Committees, as well as the contribution individual Directors are expected to make (including, in particular, the commitment of time and energy that the Company expects from its Directors) and the nature and operation of the Group’s business; and
- l) In discharging its duties, the Board of Directors may engage the services of an external advisors at the expense of the Company. The Board also allows, any Board committee or Director to engage the services of an external advisor at the expense of the Company, to adequately carry out such committee’s duties, where the circumstances so warrant, subject to the Board of Directors’ approval.

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# CORPORATE GOVERNANCE STATEMENT

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

- (i) Audit Committee (“**AC**”)
- (ii) Risk Management and Sustainability Committee (“**RMSC**”)
- (iii) Nomination Committee (“**NC**”)
- (iv) Remuneration Committee (“**RC**”)

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. The Board approves an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each Director is presented in the Annual Report of the Company.

### 2. Separation of position of the Chairman and Chief Executive Officer

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and the Chief Executive Director of the Company are separately held, and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

The Chairman of the Board, Dato’ Seri Ir. Haji Mohamad Zulkefly Bin Sulaiman, an Independent Non-Executive Chairman, leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant views and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The roles and responsibilities of the Chairman’s key responsibility, amongst others, includes the following:

- a) Provide leadership and run the Board effectively with the assistance of the Board Committees and management;
- b) Ensure the whole Board plays a full and constructive part in developing and determining the Group’s strategy;
- c) Ensure the Board annually reviews its performance and is balanced so as to achieve its effectiveness;
- d) Review the performances of individual Directors;
- e) Assist and guide the Chief Executive Officer. Ensure the Board members are well briefed and have access to information on all aspects of the company’s operations;
- f) Setting the Board meeting agenda for consideration, giving emphasis on important issues challenged by the Group with emphasis on strategic, rather than operational issues;
- g) Chairing of general meetings and Board meetings;

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# CORPORATE GOVERNANCE STATEMENT

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

- h) Help guide the Group on its long term strategic opportunities and represent the Group with key industry, civic and philanthropic constituents;
- i) Promote the highest standards of integrity, probity and corporate governance of the Group; and
- j) Ensure that general meetings of the company are conducted efficiently and that shareholders have adequate opportunity to air their views and obtain answers to their queries.

The Board delegates the Chief Executive Officer, namely Syed Mohd Hafiz Bin Syed Mohd, supported by the Executive Directors to oversee the day-to-day operations to ensure the smooth and effective running of the Group. The Executive Directors implement the policies, strategies, decisions adopted by the Board, monitor the operating financial results against plans and budgets and act as a conduit between the Board and Management in ensuring the success of the Group's governance and management functions.

During Board meetings, the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute to the discussion. The Chairman and Executive Directors arrange informal meetings and events from time to time to build constructive relationships between the Board members.

The Executive Directors take on primary responsibility to spearhead and manage the overall business activities of the various business division of the Group to ensure optimum utilization of corporate resources and expertise by all the business divisions and at the same time achieve the Group's long-term objectives. The Executive Directors are assisted by the heads of each division in implementing and running the Group's day-to-day business.

### 3. Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least five (5) days before the meetings. Management provides the Board with detailed meeting materials at least five (5) days in advance of the Board or Board Committees' meetings. Senior Management may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

### 4. Commitment of the Board

The Board would meet at least four (4) times a year, at quarterly intervals which are scheduled at the onset of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the Company Secretary and circulated to all Directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretary.

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## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 4. Commitment of the Board (CONT'D)

The Board met seven (7) times during the financial period ended 31 December 2025 ("FP2025"). The attendance of each Director at the Board Meetings held during FP2025 are as follow:

Directors	Number of meetings attended	%
Dato' Seri Ir. Haji Mohamad Zulkefly bin Sulaiman <sup>[1]</sup>	4/4	100%
Yim Yuen Wah	7/7	100%
Syed Mohd Hafiz bin Syed Mohd	7/7	100%
Nor Azlan bin Zainal	6/7	85.71%
Ts. Wan Adli Ridzwan bin Wan Hassan	7/7	100%
Wang Hong	6/7	85.71%
Yang Shing Sing	5/7	71.43%
Sindi, Mohammed Nabil M	5/7	71.43%
Datuk Aznam Bin Mansor <sup>[2]</sup>	3/3	100%
Goh Yoke Chee <sup>[3]</sup>	7/7	100%

Note:

<sup>[1]</sup> Appointed as a Director of the Company with effect from 2 January 2025

<sup>[2]</sup> Resigned as a Director of the Company with effect from 2 January 2025

<sup>[3]</sup> Resigned as a Director of the Company with effect from 31 December 2025

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") allow a Director to sit on the board of a maximum of five (5) listed issuers. At present, all Directors of the Company have complied with the AMLR of Bursa Securities where they do not sit on the board of more than five (5) listed issuers.

### 5. Continuous Development of the Board

The Board, via the NC, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they would continue to enhance their skills and knowledge to maximize their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

The list of training programmes attended by the Directors during the financial year under review are as follows:

No.	Name of Director	Type of Training
1.	Dato' Seri Ir. Haji Mohamad Zulkefly bin Sulaiman	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme ("MAP")</li> <li>Sustainability Awareness</li> </ul>
2.	Yim Yuen Wah	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> <li>Sustainability Awareness</li> </ul>
3.	Syed Mohd Hafiz bin Syed Mohd	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> <li>Sustainability Awareness</li> </ul>
4.	Nor Azlan bin Zainal	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> <li>Sustainability Awareness</li> </ul>
5.	Ts. Wan Adli Ridzwan bin Wan Hassan	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> <li>Sustainability Awareness</li> </ul>
6.	Wang Hong	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> <li>Sustainability Awareness</li> </ul>
7.	Yang Shing Sing	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> <li>Sustainability Awareness</li> </ul>
8.	Sindi, Mohammed Nabil M	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> <li>Sustainability Awareness</li> </ul>

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## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 5. Continuous Development of the Board (CONT'D)

The Company Secretary also highlights the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The External Auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

### 6. Board Committees

#### Audit Committee

The AC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The AC maintains direct, unfettered access to the Company's External Auditor, Internal Auditor and management.

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the AC are as follows:

Director	Designation
Nor Azlan bin Zainal	Chairman
Ts. Wan Adli Ridzwan bin Wan Hassan	Member
Wang Hong	Member

A copy of the AC's Terms of Reference can be found in the Company's website at [www.itmikro.com.my](http://www.itmikro.com.my).

#### Risk Management & Sustainability Committee

The RMSC is responsible for overseeing the risk management process and sustainability activities within the Group.

The RMSC comprises of the following members:

Director	Designation
Nor Azlan bin Zainal	Chairman
Ts. Wan Adli Ridzwan bin Wan Hassan	Member
Syed Mohd Hafiz Bin Syed Mohd	Member

During the FP2025, the RMSC held one (1) meeting. The RMSC had reviewed the risk management report during FP2025 in discharge of its duty.

A copy of the RMSC's Terms of Reference can be found in the Company's website at [www.itmikro.com.my](http://www.itmikro.com.my).

#### Nomination Committee

The NC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

The NC comprises three (3) members, all of whom are Non-Executive Directors with majority being Independent Directors. The present members of the NC are as follows:

Director	Designation
Ts. Wan Adli Ridzwan Bin Wan Hassan	Chairman
Nor Azlan Bin Zainal	Member
Yang Shing Sing	Member

During the financial year, the NC held one (1) meeting. Below is a summary of the key activities undertaken by the NC in discharge of its duty:

- Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy.
- Determined the Directors who stand for re-election and re-appointment by rotation.

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## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 6. Board Committees (CONT'D)

- c) Assessed the effectiveness and performance of the Board and its committees. This is carried out through a self-assessment document that is completed by each Director. The assessment criteria include the following:
- Board composition
  - Performance of the Board and Board Committees
  - Accountability and standard of conduct of Directors
- d) Reviewed the term of office and performance of the AC and each of its members to ascertain that the AC and its member have carried out their duties in accordance with the AC's Terms of Reference
- e) Assessed and reviewed the independence and continuing independence of the Independent Directors.
- f) Reviewed and recommend the appointment of Independent Non-Executive Director

A copy of the NC's Terms of Reference is available at the Company's website at [www.itmikro.com.my](http://www.itmikro.com.my)

### Remuneration Committee

The RC is responsible for recommending to the Board the remuneration principles and the framework for members of the Board and Senior Management.

The RC comprises three (3) members, all of whom are Independent Non-Executive Directors. The present members of the RC are as follows:

Director	Designation
Ts. Wan Adli Ridzwan Bin Wan Hassan	Chairman
Nor Azlan Bin Zainal	Member
Wang Hong	Member

During the financial year, the RC held one (1) meeting. Below is a summary of the key activities undertaken by the RC in discharging its duty:

- a) Reviewed, assessed and recommended the remuneration packages of the Executive Directors and Senior Management.
- b) Reviewed the remuneration package of Non-Executive Directors and their Meeting Allowances

A copy of the NC's Terms of Reference is available at the Company's website at [www.itmikro.com.my](http://www.itmikro.com.my)

### 7. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance and the Board Charter is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging their duties towards the Group as well as its operating practices. The Board Charter further entails the following issues and decisions reserved for the Board:

- (a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- (b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- (c) Strategic investments, mergers and acquisitions and corporate exercises;
- (d) Authority levels;
- (e) Treasury policies;
- (f) Risk management policies; and
- (g) Key human resource issues.

The Board Charter is reviewed annually by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter can be found in the Company's website at [www.itmikro.com.my](http://www.itmikro.com.my).

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## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 8.Code of Business Ethics

The Company has established a Code of Conduct and Code of Ethics to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Business Ethics is based on principles in relation to trust, integrity, transparency, accountability, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism.

The Board is focused on creating corporate culture which engenders ethical conduct that permeates throughout the Company. The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies.

The Board is provided guidance through the Code of Conduct and Code of Ethics on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests.

Notices on the closed period for trading in the Company's shares are sent to Directors, principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the AMLR.

Details of the Code of Conduct and Code of Ethics can be found in the Company's website at [www.itmikro.com.my](http://www.itmikro.com.my).

### 9.Whistle Blowing Policy and Procedure

The Company has adopted a Whistleblowing Policy as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded to the Company's whistleblowing channel.

Full details of the Whistle Blowing Policy can be found on the Company's website at [www.itmikro.com.my](http://www.itmikro.com.my).

### 10.Company Secretary

The Board is assisted by qualified and competent Company Secretary who plays a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the Directors have unrestricted access to the advice and services of the Company Secretary for the purpose of the conduct of the Board's affairs and the business.

The Company Secretary constantly keep himself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretary has also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretary and Administrators for practising company secretary. The Board is satisfied with the performance and support rendered by the Company Secretary in discharging its functions.

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## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 10. Company Secretary (CONT'D)

In addition, the Company Secretary is also accountable to the Board and is responsible for the following:

- Advising the Board on its roles and responsibilities.
- Advising the Board on matters related to corporate governance and the AMLR.
- Ensuring that Board procedures and applicable rules are observed.
- Maintaining records of the Board and ensuring effective management of the Company's statutory records.
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- Assisting communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- Preparing agendas and co-coordinating the preparation of Board papers.

## II. Board Composition

### 1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the scope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The NC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each Director is assessed by the NC through the Board Evaluation. In addition, each of the retiring Directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

As at the date of this Statement, the Board consists of one (1) Independent Non-Executive Chairman, four (4) Independent Non-Executive Directors, one (1) Non-Independent and Non-Executive Director, and two (2) Executive Directors, wherein at least half of the Board comprises Independent Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

The Board of Directors' profile can be found in the Annual Report of the Company.

### 2. Independence of Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NC assesses each Director's independence to ensure on-going compliance with this requirement annually. The NC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

As at the date of this statement, none of the Independent Directors has exceeded a cumulative term of nine (9) years.

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## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

### II. Board Composition (CONT'D)

#### 3.Appointment of Board and Senior Management

The Board of Directors comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NC will assess the suitability, fitness and propriety of the candidates based on criteria set out in the Fit and Proper Policy before formally considering and recommending them for appointment to the Board or senior management. In proposing its recommendation, the NC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in AMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and AGM.

#### 4.Gender Diversity

While the Board of Directors acknowledge the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions. As at the date of this report, there is one (1) female employees involved in the Board and Senior Management, collectively.

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in Senior Management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.

#### 5.Identifying Suitable Candidates

Any proposed appointment of a new member to the Board will be deliberated by the full Board based upon a formal report, prepared by the NC on the necessity for reviewing the qualifications and experience of the proposed director. The NC would be guided by the Directors' Fit and Proper Policy and an internal policy on Criteria and Skill Sets for the Board Members in assessing the suitability of the potential candidates for appointment to the Board.

#### 6.Chairman of the NC

The NC is led by Ts. Wan Adli Rizwan Bin Wan Hassan, the Independent Non-Executive Director, who directs the NC for succession planning and appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the NC with relevant information of the Group's needs, allowing them to source for suitable candidates when the need arises.

#### 7.Annual Evaluation

The NC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretary via questionnaires. The NC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

The assessment criteria used in the assessment of Board and individual Directors include a mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contributions of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

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## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

### II. Board Composition (CONT'D)

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Roles and Responsibilities of the Board and Board Committees and elements of environmental social and governance.

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/her contribution to Board processes.

Any appointment of a new Director/ re-appointment of Director to the Board or Board Committee will be subject to the Directors' Fit and Proper assessment and is recommended by the NC for consideration and approval by the Board. In accordance with the Company's Constitution, one-third (1/3) of the Directors (including the Managing Director) for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NC also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement the Directors standing for re-election at forthcoming AGM of the Company.

### III. Remuneration

The objective of the Group's internal remuneration policy is to provide fair and competitive remuneration to its Board and Senior Management in order for the Company to attract and retain Board and Senior Management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and Senior Management lie with the RC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and Senior Management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and Senior Management compose of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support our strategy and provides a balance between motivating and challenging our senior managements to deliver our business priorities, as set out by Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed fee, with the Chairman of the Board receiving a higher fee in respect of her service as Chairman of the Board. The fees for Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

During the financial year under review, the RC had reviewed the remuneration for the Executive Directors and Senior Management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages are comparable within the industry norm. The RC further discussed the annual salary review for the Executive Directors and Senior Management in line with the budget salary increase for the rest of the organisation. When approving payments for annual bonus, the RC considered the overall performance of the business and of the Executive Directors and Senior Management against this, as well as their individual targets. Bonus payments made to Executive Directors and Senior Management reflected the large proportion of collective measures for the year, in support of focusing on teamwork and simplicity within the pay arrangements.

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## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

### III. Remuneration (CONT'D)

The detailed disclosure on named basis for the remuneration of individual Directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the FP2025 and the senior management's remuneration in bands of RM50,000 are set out in the Corporate Governance Report.

## PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AC

Presently, the AC consists of three (3) Independent Non-Executive Directors and all of them are financially literate and have sufficient understanding of the Group's business. All the members of the AC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Chairman of the AC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the AC's findings and recommendation remains intact. The composition of the AC undergoes an annual review by the NC and subsequently recommended to the Board for approval. Based on the results of the evaluation conducted during the FP2025, the Board expressed satisfaction with the performance of the AC in discharging its responsibilities.

The AC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the AC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the AC. For the FP2025, no former partner of the Company's Auditors is appointed as a member of AC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The AC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the External Auditors. Through the AC, the Board maintains a transparent relationship with the External Auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The AC is empowered to communicate directly with the External Auditors to highlight any issues of concern at any point in time.

The External Auditors is recommended to meet the AC without the presence of the executive Board members and Management on regular basis pertaining on matters relating to the Group and its audit activities. During such meetings, the External Auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board.

The AC ensures the External Audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the External Auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

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## PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AC (CONT'D)

For the FP2025, fees paid to the External Auditors, Messrs HLB Ler Lum Chew PLT and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Group (RM)	Company (RM)
Audit services rendered	373,057	172,500
Non-Audit services rendered	88,000	88,000

The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on the roles and responsibilities of the AC may be found in the Annual Report of the Company.

### II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management framework has been adopted by the Group. The Group's risk management systems are designed to manage and eliminate risks, where possible to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the AC. This covers all material controls including financial, operational, compliance and risk management systems. The AC is further supported by a number of sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the framework.

The Group has outsourced the internal audit function as being the most cost-effective means of implementing an internal audit function. The independent third-party service provider of the internal audit services for the FPE2025 was Messrs Talent League Sdn. Bhd. ("TLSB"), which reported directly to the AC as specified in the Terms of Reference of the AC. The internal audit function of the Group assigned by TLBSB consists of five (5) internal auditors and led by Mr. Hong Cheong Liang. Details on the person responsible for the internal audit are set out below:

Name	Hong Cheong Liang
Qualification	(a) Chartered Member of Institute of Internal Auditor (b) Member of Malaysian Institute of Accountants (c) Malaysian Institute of Certified Public Accountants
Independence	Does not have any family relationship with any of the director and/or major shareholder of the Company
Public Sanction or penalty	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Further information may be found in the Statement on Risk Management and Internal Control and the Management Discussion and Analysis of this Annual Report.

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

### I. Communication with stakeholders

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a corporate communications policy and procedure not only to comply with the discourse requirements as stipulated in the AMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analyst to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to learn about their needs enabling sustainability and growth of the Group.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group. Stakeholders are also able to subscribe to e-mail alerts from the Group via the Investor Relation page.

### II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) calendar days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

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## ADDITIONAL COMPLIANCE INFORMATION

### UTILISATION OF PROCEEDS

The Company did not implement any fund raising exercise during the financial period ended 31 December 2025 ("FP2025").

### MATERIAL CONTRACTS

There were no material contracts entered into by the Group during the financial period ended FP2025 involving the interests of the Directors and major shareholders.

### CONTRACT RELATED TO LOANS

There were no material contracts entered into by the Group during the financial period ended FP2025 involving the interests of the Directors and major shareholders.

### RECURRENT RELATED PARTY TRANSACTIONS

The details of the recurrent related party transactions are disclosed in the notes of the financial statements in this Annual Report.

### DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

#### a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		109,699,264	57,169,751
Other income		467,685	26,684,987
Interest income		76,971	58,203
Share of result of associates		33,197,657	8,400,489
<b>Total</b>		<b>143,441,577</b>	<b>92,313,430</b>
<b>Total Assets</b>		<b>322,817,762</b>	<b>247,778,096</b>

#### b) Business Activities

Shariah Non-compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest income	Conventional	76,971	58,203
<b>Total</b>		<b>76,971</b>	<b>58,203</b>

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## ADDITIONAL COMPLIANCE INFORMATION

### DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

#### c) Component of Financial Position

##### i) Cash Component

Islamic Account/ Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank (exclude cash in hand)		897,740	360,824
<b>Total</b>		<b>897,740</b>	<b>360,824</b>

Conventional Account/ Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank (exclude cash in hand)		22,042,960	17,628,435
Other cash equivalents	Cash in hand	49,889	41,667
Deposits with licensed bank		646,969	624,714
<b>Total</b>		<b>22,739,818</b>	<b>18,294,816</b>

##### ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current		N/A	N/A
Non-Current		N/A	N/A
<b>Total</b>		<b>N/A</b>	<b>N/A</b>

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
<b>Current</b>			
Term loans		80,902	76,770
Trust receipt		788,649	N/A
<b>Non-current</b>			
Term loans		101,470	225,435
<b>Total</b>		<b>971,021</b>	<b>302,205</b>

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# AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) was established with the primary objective of assisting the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiary companies.

## COMPOSITION MEETING ATTENDANCE

The AC comprise of three (3) members, all of whom are Independent Non-Executive Directors. One of the members is a member of the Malaysian Institute of Accountant, bringing specialized expertise to the AC deliberations. The composition of the AC adheres strictly to the stipulated requirements outlined in Rule 15.09(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), ensuring compliance with regulatory standards and best practices.

During the financial period ended 31 December 2025 (“**FP2025**”), the AC held six (6) meetings and the records of the attendance of the AC members are as follow:

Directors	Designation	Number of meetings attended	%
Nor Azlan bin Zainal <sup>[1]</sup>	Chairman	5/6	83.33%
Ts. Wan Adli Ridzwan bin Wan Hassan	Member	6/6	100%
Wang Hong	Member	5/6	83.33%

Note:

<sup>[1]</sup> Member of Malaysian Institute of Accountants

All members of the AC possess financial literacy and equipped with the necessary skills to proficiently analyze and interpret financial statements. This expertise enables them fulfill their duties, roles, and responsibilities for the Company with precision and effectiveness. Their adeptness in financial matters ensures comprehensive oversight and informed decision-making, contributing significantly to the AC’s ability to safeguard the Company’s interests and maintain transparency and integrity in financial reporting.

## TERMS OF REFERENCE

The scope of duties and responsibilities of the AC are stated in the Terms of Reference (“**TOR**”) is made available on the Company’s website, [www.itmikro.com.my](http://www.itmikro.com.my).

## SUMMARY ACTIVITIES

The activities of the AC during the FP2025, include the following:

- a) Reviewed the unaudited quarterly results of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for approval and release the results to Bursa Securities;
- b) Reviewed with the External Auditors on their Audit Planning Memorandum for the FPE2025;
- c) Reviewed and discussed with the External Auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management’s response to these recommendations;

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# AUDIT COMMITTEE REPORT

## SUMMARY ACTIVITIES OF AUDIT COMMITTEE WORK DURING THE FINANCIAL YEAR (CONT'D)

- d) Reviewed and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of the non-audit services does not impair their independence or objectivity as External Auditors of the Group and the Company;
- e) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- f) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;
- g) Reviewed and approved the Internal Audit Planning Memorandum to ensure adequate scope and coverage of the activities of the Group and the Company which was prepared based on risk-based approach;
- h) Reviewed the effectiveness of the Group's system of internal control;
- i) Reviewed the proposed fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group;
- j) Reviewed related party transactions and conflict of interest situation that may arise within the Group and/or the Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms;
- k) Reviewed the Company's compliance with the ACE Market Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
- i) Report to the Board on its activities and significant findings and results.

## INTERNAL AUDIT FUNCTION

The Group has appointed an established external professional Internal Audit firm, which reports to the AC and assists the AC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the AC.

The AC approves the Internal Audit Planning Memorandum during the first AC meeting each year. Any subsequent changes to the Internal Audit plan are approved by the AC. The scope of internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.

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# AUDIT COMMITTEE REPORT

## SUMMARY ACTIVITIES OF AUDIT COMMITTEE WORK DURING THE FINANCIAL YEAR (CONT'D)

### INTERNAL AUDIT FUNCTION (CONT'D)

During the FP2025, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

- (i) The internal audit function conducted based on an annual internal audit plan which was tabled before and approved by the AC;
- (ii) Internal Audit Plan covers the key functional areas and business activities of the major subsidiaries of the Group as well as issues relating to control deficiencies and areas for improvements including the relevant recommendations to address the issues;
- (iii) Emphasis on best practices and management assurance that encompass all business risks, particularly on the effectiveness and efficiency of operations, reliability of reporting, compliance with applicable law and regulations and safeguard of assets;
- (iv) Performed follow-up on status of management agreed action plan on recommendation raised in previous cycles of internal audits including specific timelines for those outstanding matters to be resolved; and
- (v) Reports issued by the internal audit function were tabled at AC meetings in which management was present at such meeting to provide pertinent clarification or additional information to address questions raised by AC members pertaining to matters raised.

The AC and the Board agree that the internal audit review was done in accordance with the audit plan and the coverage is adequate.

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Report.

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## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ACE Market Listing Requirements ("**Ace LR**"), the Board of Directors ("**Board**") of Mikro MSC Berhad is pleased to present the following Statement on Risk Management and Internal Control for the Group. This statement has been carefully prepared in line with the Malaysian Code on Corporate Governance ("**MCCG**"), the Corporate Governance Guide, and the Statement on Risk Management & Internal Control: Guidelines 2025 for Directors of Listed Issuers ("**Bursa SORMIC Guide 2025**").

### BOARD RESPONSIBILITIES

The Board has a clear understanding of its role in overseeing the Group's risk management and internal control systems, which are crucial for safeguarding shareholders' investments, protecting customer interests, and securing the Group's assets. This responsibility includes a comprehensive evaluation of the system's effectiveness, adequacy, and reliability.

Moreover, the Board's oversight of the internal control system extends to every subsidiary within the Group, covering not just financial controls but also operational and compliance controls. This all-encompassing approach reflects the Board's commitment to a holistic view of risk management and internal control, addressing every aspect of the Group's operations.

The Group has established an ongoing process for identifying, evaluating, and managing significant risks that could impact the achievement of its objectives and strategies. This process involves regularly updating the risk register and internal control documentation to reflect changes in the business environment or regulatory requirements.

### RISK GOVERNANCE STRUCTURE

The key aspects of the Group's Enterprise Risk Management ("ERM") framework include:

#### RISK MANAGEMENT FRAMEWORK

Mikro's current risk management framework is designed to support the development and implementation of modern management approaches while encouraging innovation throughout the Group's operations and business activities. The procedures for managing risk—encompassing identification, assessment, and mitigation of significant risks—are fully integrated into our operational and business processes. Continuous monitoring and evaluation of the effectiveness of our risk management efforts are conducted by management at all levels, ensuring a dynamic and ongoing process.

The Group adopts a structured risk assessment approach, whereby the likelihood and potential impact of identified risks are evaluated using an established risk matrix. This assessment is supported by the Enterprise Risk Management ("**ERM**") process and is facilitated by an independent professional firm, Talent League Sdn. Bhd., to ensure a systematic and consistent identification of significant business risks. Risk ownership is clearly assigned, and key controls are evaluated to ensure that appropriate mitigation measures are in place.

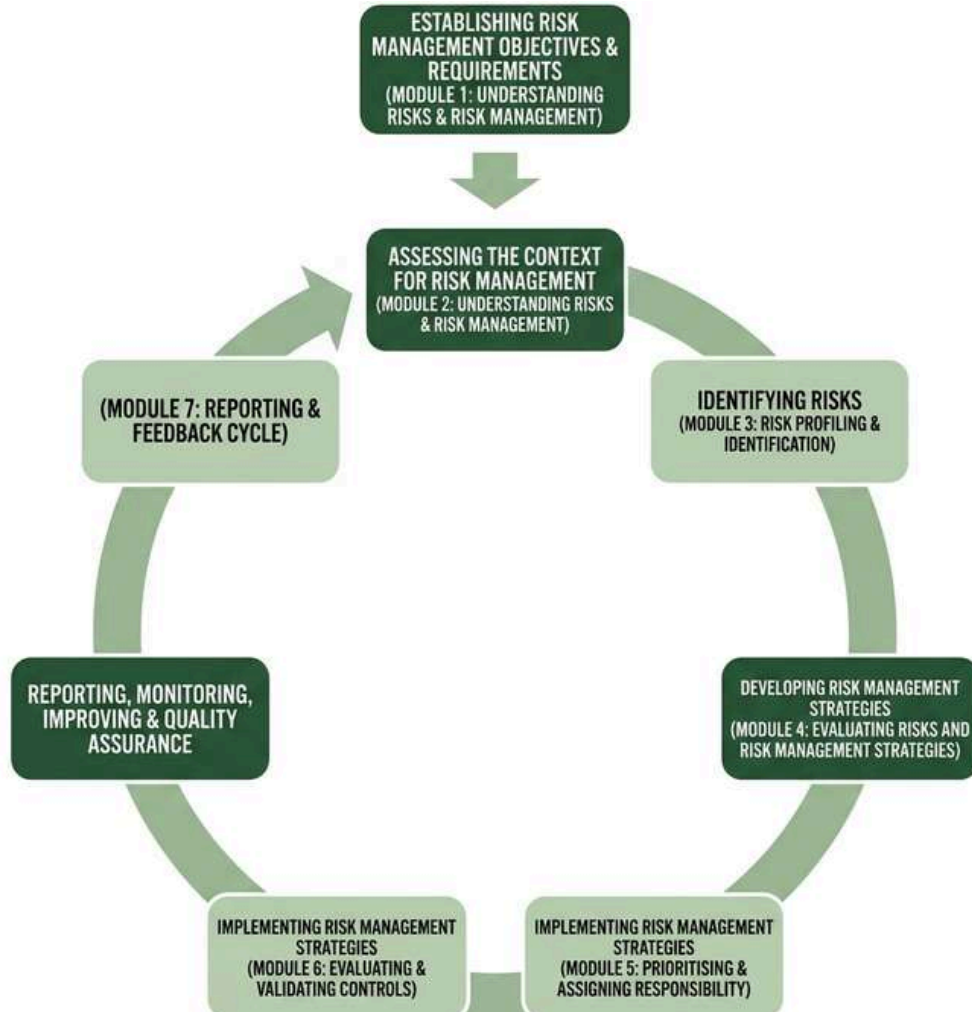


# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK MANAGEMENT FRAMEWORK (CONT'D)

No	Components	Principles
1.	Governance and Culture	<ul style="list-style-type: none"> <li>• Exercise Board Risk Oversight</li> <li>• Establishes operating structure</li> <li>• Defines desired culture</li> <li>• Demonstrates commitment to core values</li> <li>• Attracts, develops and retains capable individual</li> </ul>
2.	Strategy & Objective-Setting	<ul style="list-style-type: none"> <li>• Analyses business context</li> <li>• Defines risk appetite</li> <li>• Evaluate alternative strategies</li> <li>• Formulates business objectives</li> </ul>
3.	Performance	<ul style="list-style-type: none"> <li>• Identifies risk</li> <li>• Assesses severity of risk</li> <li>• Prioritizes risks</li> <li>• Implements risk responses</li> <li>• Develop portfolio view</li> </ul>
4.	Review and Revision	<ul style="list-style-type: none"> <li>• Assesses substantial change</li> <li>• Reviews risk and performance</li> <li>• Pursues improvement in ERM</li> </ul>
5.	Information, Communication, and Reporting	<ul style="list-style-type: none"> <li>• Leverages information and technology</li> <li>• Communicates risk information</li> <li>• Reports on risk, culture and performance</li> </ul>

The Process of Risk Management as below:



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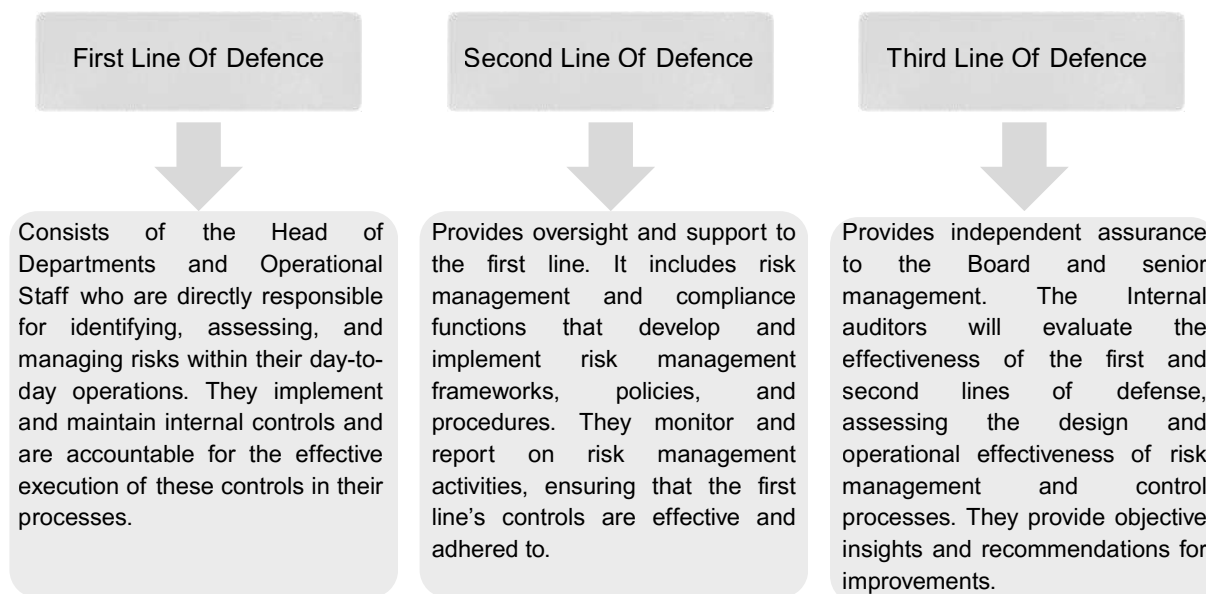
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# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK MANAGEMENT FRAMEWORK (CONT'D)

The key aspects of the Group's Enterprise Risk Management ("ERM") framework include: (cont'd)

To further develop a robust and integrated approach to managing risk and ensuring effective internal controls across the organisation, the Group has adopted the three lines of defence model. This model ensures that risks are managed from the point of risk-taking activities, providing clear accountability for risk across the Group. By integrating risk management into the business units, the model positions risk management as an enabler of business activities, enhancing both oversight and operational effectiveness.



Generally, the Board is accountable for the Group's overall risk profile and has delegated the oversight of the risk management function to the RMSC and RMWC comprising one (1) Chief Executive Officer, one (1) Managing Director, one (1) Chief Finance Officer, and three (3) Executive Directors.

Details of attendance at the RMSC meetings during the financial year are as follows:

Members	Attendance
Nor Azlan Bin Zainal*	1/1
Syed Mohd Hafiz Bin Syed Mohd*	1/1
Ts. Wan Adli Ridzwan Bin Wan Hassan	1/1

\* Being the Chair of the RMSC

Both the RMSC and representative of RMWC members attended meetings with the Board of Directors in financial period 2025.

The RMSC and RMWC have reviewed and provided assurance to the Board that the Group's risk management and internal control practices are adequately established and are operating in all material respects. The RMSC also assesses the adequacy of existing policies, frameworks and processes in managing the key risks faced by the Group, with particular focus on areas of higher risk exposure.

Identified risks are categorised into key domains, including Financial, Information Technology, Operational, Regulatory, Reputation, Strategic and Human Capital risks, enabling a comprehensive view of the Group's risk landscape.

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# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK MANAGEMENT FRAMEWORK (CONT'D)

All identified risks and corresponding mitigation measures are documented in a centralised Risk Register, which is presented to the Board for review. The Risk Register is updated periodically to reflect changes in the business environment, including newly identified risks and reassessment of existing risks in terms of likelihood and impact, particularly those deemed significant to the Group's operations.

In addition, a risk-based internal audit plan is developed annually and approved by the RMSC. This ensures that internal audit activities are aligned with the Group's risk profile and focused on key risk areas, thereby supporting the ongoing enhancement of the Group's risk management and internal control systems.

## INTERNAL CONTROL SYSTEM

The Board recognises the critical importance of establishing a sound internal control system to ensure the effective and efficient management of the Group's business operations. This approach is embedded across the organisation, with internal control principles cascading from the strategic management level down to the fundamental operational level. The key processes of the Group's internal controls include:

### 1. Structured Organisation and Accountability

The Group maintains a formal organisation structure with clearly defined responsibilities and accountability. The internal control system across the Group's various operating divisions is strengthened through implementing specific roles and responsibilities, appropriate limits of authority, and continuous review and enhancement of policies and procedures.

### 2. Regular Board Meetings

The Board meets at least quarterly to review and discuss matters requiring its attention, ensuring accountability for the conduct and performance of the assigned business units and support functions.

### 3. Documented Procedures and Compliance Audits

Documented internal procedures and standard operating procedures ("SOPs") are in place, supported by a surveillance system and periodic certification audits conducted by ISO certification body assessors. These measures ensure adherence to the SOPs.

### 4. Anti-Bribery and Corruption Policy

The Board has formalised an Anti-Bribery and Corruption ("ABC") Policy, underscoring its commitment to the highest standard of integrity, openness, and accountability in the conduct of its businesses and operations. The Group aspires to conduct its affairs in an ethical, responsible, and transparent manner.

### 5. Whistleblowing Policy

A Whistleblowing Policy has been implemented to complement the ABC Policy. This framework encourages employees and the public to confidentially report unethical behaviour, reinforcing transparency and integrity within the organisation. The alignment of these policies demonstrates the Group's commitment to maintaining the highest standards of ethics and accountability.

### 6. Recruitment of Skilled Staff

The Group prioritises the recruitment of experienced, skilled, and professional staff with the necessary calibre to fulfil their respective responsibilities effectively. This ensures that robust controls are in place across all levels of the organisation.

### 7. Training and Development Programmes

Directors and employees regularly attend training and development programmes designed to enhance their knowledge and competency. These initiatives are aimed at further strengthening the Group's operational effectiveness and the overall internal control system.

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# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL AUDIT FUNCTION

The Board recognises the critical role of the Internal Audit function in providing independent assurance on the adequacy and effectiveness of the Group's risk management and internal control systems.

The Internal Audit function is outsourced to an independent professional firm, Talent League Sdn. Bhd., which reports directly to the Audit Committee. This arrangement ensures objectivity, independence and professional competence in the execution of internal audit activities.

During the financial period under review, the Internal Auditors carried out risk-based internal audit reviews in accordance with the internal audit plan approved by the Risk Management and Sustainability Committee ("RMSC") and Risk Management Working Committee ("RMWC"). The scope of internal audit reviews covered key operational and financial processes, including:

- Purchasing and ordering processes
- Inventory control and valuation
- Product price establishment
- Enterprise Risk Management ("ERM") framework and risk management practices
- Revenue recognition and billings

These reviews were conducted in accordance with recognised professional standards and focused on evaluating the adequacy, efficiency and effectiveness of internal controls, as well as compliance with established policies and procedures.

The Audit Committee, together with the RMSC and RMWC, regularly reviewed the internal audit findings, including identified control weaknesses and corresponding recommendations. Management has undertaken corrective actions to address the issues identified, with follow-up reviews performed to monitor the status of implementation.

While certain internal control weaknesses and areas for improvement were identified during the financial year—primarily relating to documentation practices, segregation of duties and consistency in adherence to standard operating procedures—none of these resulted in any material loss or had a material impact on the Group's financial performance or position.

The Internal Audit function adopts a risk-based auditing approach, aligned with the Group's Enterprise Risk Management framework, enabling audit focus to be directed towards higher-risk areas and ensuring that audit activities remain relevant to the Group's evolving risk profile.

## REVIEW OF EFFECTIVENESS

The Risk Management and Sustainability Committee ("RMSC") and Risk Management Working Committee ("RMWC") have provided assurance to the Board that the Group's risk management processes and internal control measures are operating adequately and effectively in all material respects.

Based on the reviews conducted, including internal audit findings and risk management reports, the Board is of the view that the Group's risk management and internal control systems are generally adequate and effective and have been in operation throughout the financial period under review. These systems support the safeguarding of shareholders' investments, protection of the Group's assets, and compliance with applicable laws and regulations.

Notwithstanding the above, the Board recognises that the effectiveness of risk management and internal control systems is subject to inherent limitations and the evolving nature of the business environment. Accordingly, the Board remains committed to continuous monitoring and enhancement of these systems, and will take appropriate measures to strengthen internal controls and risk management practices where necessary.

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# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the External Auditors, HLB Ler Lum Chew PLT, have reviewed this statement. Their review procedures were conducted in accordance with Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, as issued by the Malaysian Institute of Accountants.

It is important to note that AAPG 3 does not require HLB Ler Lum Chew PLT to assess whether this statement covers all risks and controls, nor to provide an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

Based on the procedures performed and evidence obtained, HLB Ler Lum Chew PLT has reported to the Board that nothing has come to their attention that would lead them to believe that this statement, as included in the Annual Report, is not prepared in all material respects in accordance with the disclosure requirements of Paragraphs 41 and 42 of the Bursa SORMIC Guide 2025, nor that it is factually inaccurate.

### Conclusion

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control systems. The Board received assurance from the CEO, MD and CFO that the risk management and internal control system, in all material aspects operated adequately and effectively and has been in place for the period under review and up to the date of the Annual Report. For the financial period under review, there were no material control failures or adverse consequences that have directly resulted in any material loss to the Group.

This Statement was approved by the Board of Directors on 14 April 2026.

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## STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statement is given a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have observed the following criteria:

- Overseeing the overall conduct of the company's business and that of the group;
- Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- Reviewing the adequacy and integrity of internal controls system and management information system in the company and within the group;
- Adopting suitable accounting policies and apply them consistently;
- Making judgements and estimates that are reasonable and prudent; and
- Ensuring that the financial statements were prepared on a going concern basis and in compliance with all applicable approved accounting standards in Malaysia subject to any material departures, if any, were disclosed.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial period ended 31 December 2025, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

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



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## DIRECTORS' REPORT

The Directors have pleasure in submitting their Report together with the audited financial statements of the Group and of the Company for the financial period ended 31 December 2025.

### PRINCIPAL ACTIVITES

The Company is principally engaged in the research, development, design and manufacturing of analogue, digital and computer-controlled electronic systems or devices for use in electrical, electronic and other industries, as well as the provision of technical and maintenance services and the manufacturing and trading of biomass fuel products. On 27 November 2024, the Company had diversified its business to include design, manufacturing and installation of signs and advertising displays, and interior fit-out services.

The principal activities of the subsidiaries, and associate companies are disclosed in Notes 9 and 10 to the financial statements.

### RESULTS

	Group RM	Company RM
Profit for the financial period	<u>33,784,932</u>	<u>2,461,153</u>
Attributable to:		
Owners of the parent	33,527,526	2,461,153
Non-controlling interest	<u>257,406</u>	<u>-</u>
	<u>33,784,932</u>	<u>2,461,153</u>

### CHANGE OF FINANCIAL YEAR END

The Company changed its financial year end from 30 June to 31 December. The financial statements have therefore been made up for a period of 18 months from 1 July 2024 to 31 December 2025.

### DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend payment of any dividend for the current financial period.

### RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

### ISSUANCE OF SHARES OR DEBENTURES

On 14 January 2025, the issued and fully paid-up ordinary shares of the Company was increased from 1,073,490,940 to 1,208,322,400 by way of issuance of 134,831,460 new ordinary shares at RM0.215 per share as part of the purchase consideration for the acquisition of 100% stake in TES Productions & Projects Pte. Ltd. amounting to RM28,988,764 as disclosed in Note 9(h).

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

The Group and the Company did not issue any debentures during the financial period.

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## DIRECTORS' REPORT (CONT'D)

### OPTIONS GRANTED OVER UNISSUED SHARES

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

### DIRECTORS

The directors who have held office during the financial period and up to the date of this report as follows.

#### Mikro MSC Berhad

Dato' Seri Ir. Haji Mohamad Zulkefly Bin Sulaiman (Appointed on 2 January 2025)

Yim Yuen Wah

Syed Mohd Hafiz Bin Syed Mohd

Nor Azlan Bin Zainal

Ts. Wan Adli Ridzwan Bin Wan Hassan

Wang Hong

Yang Shing Sing

Sindi, Mohammed Nabil M

Datuk Aznam Bin Mansor (Resigned on 2 January 2025)

Michael Aw Ming Han (Resigned on 27 November 2024)

Goh Yoke Chee (Resigned on 31 December 2025)

#### Subsidiaries of Mikro MSC Berhad (excluding those who are already listed above)

Tan Soo Kean

Lim Seng Gee

Syed Muhammad Adib Bin Syed Isa (Appointed on 1 July 2024)

Ang Kian Siong (Hong JianQiang) (Appointed on 7 January 2025)

Tay Siang Hui (Resigned on 22 August 2024)

Liu Marn Cole (Resigned on 31 December 2025)

### DIRECTORS' INTERESTS

The Directors holding office at the end of the financial period and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial period ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	[----- Number of ordinary shares -----]			
	Balance as at 01.07.2024	Acquired	Sold	Balance as at 31.12.2025
Direct interests:				
Yim Yuen Wah	136,373,900	-	-	136,373,900
Wan Adli Ridzwan Bin Wan Hassan	3,000	-	-	3,000

The other Directors holding office at the end of the financial period did not hold any interest in ordinary shares in the Company or ordinary shares of its related corporations during the financial period.

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## DIRECTORS' REPORT (CONT'D)

### 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.

There were no arrangements made during and at the end of the financial period, 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

Details of Directors' remuneration during the financial period are as follows:

	Group 31.12.2025 RM	Company 31.12.2025 RM
Director of the Company:		
Executive Directors		
- Fees	32,000	32,000
- Salaries and other emoluments	2,549,861	817,030
- Defined contribution plans	198,604	97,800
- Benefits-in-kind	38,590	-
	<u>2,819,055</u>	<u>946,830</u>
Non-executive Directors		
- Fees	470,258	470,258
- Meeting allowance	33,000	33,000
	<u>503,258</u>	<u>503,258</u>
	<u>3,322,313</u>	<u>1,450,088</u>
Directors of the subsidiaries of the Company:		
Executive Directors		
- Salaries and other emoluments	1,167,819	-
- Bonus	8,000	-
- Defined contribution plans	143,094	-
- Benefits-in-kind	35,190	-
	<u>1,354,103</u>	<u>-</u>
	<u>4,676,416</u>	<u>1,450,088</u>

### INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a liability insurance for the Directors and officers of the Group during the financial period, 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 period ended 31 December 2025 was RM7,350.

### INDEMNITY FOR AUDITORS

To the extent permitted under Section 289 of the Companies Act 2016, the Company has agreed to indemnify the auditors, HLB Ler Lum Chew PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit.

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## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' REMUNERATION (CONT'D)

#### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

1. to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
2. to ensure that any current assets which were unlikely their values as shown in the accounting records of the Company in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this Report, the Directors are not aware of any circumstances:-

- (a) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Group and of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

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## DIRECTORS' REPORT (CONT'D)

### OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:-

At the date of this Report, they 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 misleading.

In their opinion,

(a) the results of the operations of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

### SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL PERIOD

Details of significant events during and after the financial period are disclosed in Note 30 to the Financial Statements.

### AUDITORS' REMUNERATION

Auditors' remuneration is as follows:-

	Group RM	Company RM
Statutory audit		
HLB Ler Lum Chew PLT	333,750	172,500
HLB Ler Lum Chew PLT member firm	39,307	-
Other services	88,000	88,000
	<u>461,057</u>	<u>260,500</u>

### AUDITORS

The auditors, HLB Ler Lum Chew PLT, have expressed their willingness to continue in office.

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

-----  
Yim Yuen Wah

Dated: 14 April 2026

-----  
Syed Mohd Hafiz Bin Syed Mohd

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## STATEMENT BY DIRECTORS

We, Yim Yuen Wah and Syed Mohd Hafiz Bin Syed Mohd, being two of the Directors of Mikro MSC Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial period then ended.

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

-----  
Yim Yuen Wah

Dated: 14 April 2026

-----  
Syed Mohd Hafiz Bin Syed Mohd

## STATUTORY DECLARATION

I, Soo Zin Chuen, being the Officer primarily responsible for the financial management of Mikro MSC Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are 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.

-----  
Soo Zin Chuen (MIA 36789)

Subscribed and solemnly declared by the abovenamed Soo Zin Chuen at Puchong, Selangor on 14 April 2026

Before me:

-----  
Commissioner for Oaths

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# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Mikro MSC Berhad, which comprise the statements of financial position as at 31 December 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 period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 14 to 81.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those 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 period. 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.

#### 1. Impairment assessment of goodwill

##### The risk

As disclosed in Note 7 to the financial statements, the Group has a goodwill of RM47.28 million which arose from the acquisitions of Mikro Busway Sdn. Bhd., Mikro Smartconnection Sdn. Bhd. and TES Productions & Projects Pte. Ltd.

These CGUs have been tested for impairment during the financial year to assess the recoverability of the carrying amount of the goodwill. The management assessed the recoverable amount of the goodwill by determining the CGU's value-in-use using the discounted cash flows method.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the recoverable amount, estimating the future results and key assumptions applied to cash flow projections of these subsidiaries. These key assumptions include forecast growth in future revenues and operating profit margin, as well as determining an appropriate pre-tax discount rate.

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# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD (CONTINUED)

### Key Audit Matters (Continued)

#### 1. Impairment assessment of goodwill (Continued)

##### How our audit addressed the key audit matter

Our audit procedures included, among others, the following:

- Reviewed the cash flow forecast prepared and approved by management;
- Assessed the methodology adopted and the mathematical accuracy of the cash flow forecast calculations;
- Assessed and tested the reasonableness of management's key assumptions used and judgements exercised on its cash flow forecast such as growth rate, operating profit margin and pre-tax discount rate;
- Performed sensitivity analysis on the key assumptions used by management and assessed the impact on the recoverable amount of goodwill;
- Compared historical forecasting for the current financial year to actual results achieved to ascertain the reasonableness of management's estimates; and
- Evaluated the completeness, accuracy and adequacy of disclosures in the financial statements

#### 2. Impairment assessment of investments in a subsidiary

##### The risk

As at 31 December 2025, the carrying amount of the investment in Mikro Busway Sdn. Bhd. amounted to RM34.04 million.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the recoverable amount, estimating the future results and key assumptions applied to cash flow projections of these subsidiaries. These key assumptions include forecast growth in future revenues and operating profit margin, as well as determining an appropriate pre-tax discount rate.

##### How our audit addressed the key audit matter

Our audit procedures included among others the following:

- Reviewed the cash flow forecast prepared and approved by management;
- Assessed the methodology adopted and the mathematical accuracy of the cash flow forecast calculations;
- Assessed and tested the reasonableness of management's key assumptions used and judgements exercised on its cash flow forecast such as growth rate, operating profit margin and pre-tax discount rate;
- Performed sensitivity analysis on the key assumptions used by management and assessed the impact on the recoverable amount of goodwill;

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# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD (CONTINUED)

### Key Audit Matters (Continued)

#### 2. Impairment assessment of investments in a subsidiary (Continued)

##### How our audit addressed the key audit matter (continued).

- Compared historical forecasting for the current financial year to actual results achieved to ascertain the reasonableness of management's estimates; and
- Evaluated the completeness, accuracy and adequacy of disclosures in the financial statements.

#### 3. Impairment assessment of intangible assets

##### The risk

On-going development costs capitalised as intangible assets of the Group and of the Company amounted to RM2.9 million and RM3.2 million respectively as at 31 December 2025, as disclosed in Note 8 to the financial statements.

This matter was considered to be a key audit matter due to the significant degree of management judgement involved in assessing the recoverability of these assets. The assessment requires estimation of future economic benefits expected to be generated from the ongoing development projects, which is inherently uncertain.

In determining the recoverable amount, management prepares cash flow projections based on approved budgets and forecasts. These projections incorporate key assumptions, including expected gross margins, projected revenue growth rates, and the pre-tax discount rate applied to discount future cash flows.

##### How our audit addressed the key audit matter

Our audit procedures included, among others, the following:

- Reviewed the cash flow forecast prepared and approved by management;
- Assessed the methodology adopted and the mathematical accuracy of the cash flow forecast calculations;
- Assessed and tested the reasonableness of management's key assumptions used and judgements exercised on its cash flow forecast such as growth rate, operating profit margin and pre-tax discount rate;
- Performed sensitivity analysis on the key assumptions used by management and assessed the impact on the recoverable amount of goodwill;
- Compared historical forecasting for the current financial year to actual results achieved to ascertain the reasonableness of management's estimates; and
- Evaluated the completeness, accuracy and adequacy of disclosures in the financial statements

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# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD (CONTINUED)

### 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 the 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, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD (CONTINUED)

### Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIKRO MSC BERHAD (CONTINUED)

### Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 period and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulations preclude 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

1. 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.
2. The financial statements of the Company for the year ended 30 June 2024 were audited by another firm of chartered accountants who expressed an unmodified opinion on these financial statements in their report dated 15 October 2024.

HLB LER LUM CHEW PLT  
201906002362 & AF 0276  
Chartered Accountants

LER JI-YONG  
03439/05/2027 J  
Chartered Accountant

14 April 2026  
Kuala Lumpur

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group			Company		
		31.12.2025 RM	30.6.2024 RM Restated	1.7.2023 RM Restated	31.12.2025 RM	30.6.2024 RM Restated	1.7.2023 RM Restated
<b>ASSETS</b>							
<u>Non-current assets</u>							
Property plant and equipment	5	23,346,580	19,294,926	19,963,614	1,639,517	1,905,210	2,181,586
Right-of-use assets	6	6,861,524	1,434,282	1,699,623	73,420	326,100	751,313
Goodwill	7	47,277,134	24,373,578	24,373,578	-	-	-
Intangible assets	8	11,017,164	12,931,491	11,048,551	11,139,587	12,315,982	12,212,351
Investment in subsidiaries	9	-	-	-	97,741,804	68,753,040	68,786,126
Investment in an associate	10	156,441,896	123,244,239	-	91,406,250	91,406,250	-
Other investment	11	1,608,000	1,632,000	22,500,000	-	-	22,500,000
		<u>246,552,298</u>	<u>182,910,516</u>	<u>79,585,366</u>	<u>202,000,578</u>	<u>174,706,582</u>	<u>106,431,376</u>
<u>Current assets</u>							
Inventories	12	21,475,778	22,113,817	27,177,577	16,742,919	17,598,667	22,513,513
Contract assets	13	355,737	-	-	-	-	-
Trade and other receivables	14	24,177,508	19,907,606	20,170,513	28,241,588	21,966,277	10,946,184
Current tax assets		6,618,883	4,190,517	5,014,300	1,404,951	-	1,018,103
Cash and bank balances	15	23,637,558	18,655,640	17,783,188	1,743,204	287,252	5,456,749
		<u>76,265,464</u>	<u>64,867,580</u>	<u>70,145,578</u>	<u>48,132,662</u>	<u>39,852,196</u>	<u>39,934,549</u>
<b>TOTAL ASSETS</b>		<u>322,817,762</u>	<u>247,778,096</u>	<u>149,730,944</u>	<u>250,133,240</u>	<u>214,558,778</u>	<u>146,365,925</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### STATEMENTS OF FINANCIAL POSITION – (Continued) AS AT 31 DECEMBER 2025

	Note	Group			Company		
		31.12.2025 RM	30.6.2024 RM Restated	1.7.2023 RM Restated	31.12.2025 RM	30.6.2024 RM Restated	1.7.2023 RM Restated
<b>EQUITY AND LIABILITIES</b>							
<u>Equity attributable to owners of the Company</u>							
Share capital	16	200,406,801	171,418,037	102,511,787	200,406,801	171,418,037	102,511,787
Translation reserve		(344,249)	-	-	-	-	-
Retained earnings		101,340,395	67,812,869	32,484,379	17,691,132	15,229,979	16,716,401
		<u>301,402,947</u>	<u>239,230,906</u>	<u>134,996,166</u>	<u>218,097,933</u>	<u>186,648,016</u>	<u>119,228,188</u>
Non-controlling interest		533,310	275,904	289,727	-	-	-
Total equity		<u>301,936,257</u>	<u>239,506,810</u>	<u>135,285,893</u>	<u>218,097,933</u>	<u>186,648,016</u>	<u>119,228,188</u>
<b>LIABILITIES</b>							
<u>Non-current liabilities</u>							
Borrowings	17	101,470	225,435	302,206	-	-	-
Deferred tax liabilities	18	2,233,965	1,204,099	1,225,337	1,422,555	461,545	867,497
Lease liabilities	6	4,704,684	641,907	857,284	-	-	308,220
		<u>7,040,119</u>	<u>2,071,441</u>	<u>2,384,827</u>	<u>1,422,555</u>	<u>461,545</u>	<u>1,175,717</u>

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Information**MIKRO MSC BERHAD (Incorporated in Malaysia)****STATEMENTS OF FINANCIAL POSITION – (Continued)****AS AT 31 DECEMBER 2025**

	Note	Group			Company		
		31.12.2025 RM	30.6.2024 RM Restated	1.7.2023 RM Restated	31.12.2025 RM	30.6.2024 RM Restated	1.7.2023 RM Restated
<u>Current liabilities</u>							
Contract liabilities	13	65,307	-	-	-	-	-
Trade and other payables	19	10,388,468	5,669,062	11,535,407	30,529,707	26,109,963	25,510,703
Borrowings	17	869,551	76,770	74,133	8,535	984,531	-
Current tax liabilities		655,068	-	-	-	46,503	-
Lease liabilities	6	1,862,992	454,013	450,684	74,510	308,220	451,317
		<u>13,841,386</u>	<u>6,199,845</u>	<u>12,060,224</u>	<u>30,612,752</u>	<u>27,449,217</u>	<u>25,962,020</u>
Total liabilities		<u>20,881,505</u>	<u>8,271,286</u>	<u>14,445,051</u>	<u>32,035,307</u>	<u>27,910,762</u>	<u>27,137,737</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>322,817,762</b></u>	<u><b>247,778,096</b></u>	<u><b>149,730,944</b></u>	<u><b>250,133,240</b></u>	<u><b>214,558,778</b></u>	<u><b>146,365,925</b></u>

The accompanying notes form an integral part of the financial statements

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Information**Registration No.: 200601018418 (738171 - M)****MIKRO MSC BERHAD****(Incorporated in Malaysia)****STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025****(With comparative figures for the financial period from 1 July 2023 to 30 June 2024)**

	Note	Group		Company	
		31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Revenue	20	109,699,264	57,169,751	42,490,880	22,083,264
Cost of sales	21	<u>(74,861,591)</u>	<u>(38,031,392)</u>	<u>(33,208,877)</u>	<u>(18,294,407)</u>
Gross profit		34,837,673	19,138,359	9,282,003	3,788,857
Other operating income		544,656	26,743,190	1,003,163	108,037
Net (loss)/gain on impairment of financial assets		(463,969)	146,097	-	-
Selling and distribution expenses		(6,650,054)	(5,782,185)	-	-
Administrative expenses		(20,188,684)	(8,124,800)	(6,819,392)	(3,087,388)
Other operating expenses		(5,161,262)	(2,524,823)	(15,172)	(403,230)
Share of results of an associate, net of tax		33,197,657	8,400,489	-	-
Finance costs	22	<u>(251,686)</u>	<u>(152,309)</u>	<u>(10,373)</u>	<u>(18,795)</u>
Tax expense	24	<u>(2,079,399)</u>	<u>(1,992,607)</u>	<u>(979,076)</u>	<u>(521,908)</u>
Profit/(Loss) for the financial period/year		33,784,932	35,851,411	2,461,153	(134,427)
Other comprehensive income, net of tax		<u>(344,249)</u>	-	-	-
Total comprehensive income		<u>33,440,683</u>	<u>35,851,411</u>	<u>2,461,153</u>	<u>(134,427)</u>
Profit/(Loss) attributable to:					
Owners of the parent		33,527,526	35,865,234	2,461,153	(134,427)
Non-controlling interests	9	<u>257,406</u>	<u>(13,823)</u>	<u>-</u>	<u>-</u>
		<u>33,784,932</u>	<u>35,851,411</u>	<u>2,461,153</u>	<u>(134,427)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the parent		33,183,277	35,865,234	2,461,153	(134,427)
Non-controlling interests	9	<u>257,406</u>	<u>(13,823)</u>	<u>-</u>	<u>-</u>
		<u>33,440,683</u>	<u>35,851,411</u>	<u>2,461,153</u>	<u>(134,427)</u>
Earnings per ordinary share attributable to equity holders of the Company (sen):					
- Basic	25	2.89	3.36		
- Diluted	25	<u>2.89</u>	<u>3.36</u>		

The accompanying notes form an integral part of the financial statements

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### STATEMENT OF CHANGES IN EQUITY

#### FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

(With comparative figures for the financial period from 1 July 2023 to 30 June 2024)

Group	Note	Share capital RM	Retained earnings RM	Total attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Balance as at 1 July 2023		102,511,787	32,484,379	134,996,166	289,727	135,285,893
Profit for the financial year		-	35,865,234	35,865,234	(13,823)	35,851,411
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	35,865,234	35,865,234	(13,823)	35,851,411
Transactions with owners						
Ordinary shares issued pursuant to private placement	16	68,906,250	-	68,906,250	-	68,906,250
Dividend paid	26	-	(536,744)	(536,744)	-	(536,744)
Total transactions with owners		68,906,250	(536,744)	68,369,506	-	68,369,506
Balance as at 30 June 2024		171,418,037	67,812,869	239,230,906	275,904	239,506,810



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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### STATEMENT OF CHANGES IN EQUITY - (Continued) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

(With comparative figures for the financial period from 1 July 2023 to 30 June 2024)

Group	Note	Share capital RM	Foreign currency translation reserve RM	Retained earnings RM	Total attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Balance as at 1 July 2024		171,418,037	-	67,812,869	239,230,906	275,904	239,506,810
Profit for the financial period		-	-	33,527,526	33,527,526	257,406	33,784,932
Other comprehensive income, net of tax		-	(344,249)	-	(344,249)	-	(344,249)
Total comprehensive income		-	(344,249)	33,527,526	33,183,277	257,406	33,440,683
Transactions with owners							
Ordinary shares issued pursuant to:							
- Acquisition of a subsidiary	9	28,988,764	-	-	28,988,764	-	28,988,764
Dividend paid		-	-	-	-	-	-
Total transactions with owners		28,988,764	-	-	28,988,764	-	28,988,764
Balance as at 31 December 2025		200,406,801	(344,249)	101,340,395	301,402,947	533,310	301,936,257

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**MIKRO MSC BERHAD**  
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**STATEMENT OF CHANGES IN EQUITY – (Continued)**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025**

(With comparative figures for the financial period from 1 July 2023 to 30 June 2024)

Company	Note	Share capital RM	Retained earnings RM	Total equity RM
Balance as at 1 July 2023 as previously stated		102,511,787	16,716,401	119,228,188
Adjustment due to retrospective application of MFRS 17 (financial guarantee contracts)		-	(815,251)	(815,251)
Restated balance as at 1 July 2023		102,511,787	15,901,150	118,412,937
Loss for the financial year		-	(134,427)	(134,427)
Other comprehensive income, net of tax		-	-	-
Total comprehensive loss		-	(134,427)	(134,427)
Transactions with owners				
Ordinary shares issued pursuant to private placement	16	68,906,250	-	68,906,250
Dividend paid	26	-	(536,744)	(536,744)
Total transactions with owners		68,906,250	(536,744)	68,369,506
Balance as at 30 June 2024/ 1 July 2024		171,418,037	15,229,979	186,648,016
Profit for the financial period		-	2,461,153	2,461,153
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	2,461,153	2,461,153
Transactions with owners				
Ordinary shares issued as consideration for acquisition of a subsidiary	9	28,988,764	-	28,988,764
Total transactions with owners		28,988,764	-	28,988,764
Balance as at 31 December 2025		200,406,801	17,691,132	218,097,933

The accompanying notes form an integral part of the financial statements

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**MIKRO MSC BERHAD**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025**

(With comparative figures for the financial period from 1 July 2023 to 30 June 2024)

	Note	Group		Company	
		31.12.2025 RM	30.6.2024 RM Restated	31.12.2025 RM	30.6.2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		35,864,331	37,844,018	3,440,229	387,481
Adjustment for:					
Amortisation of intangible assets	8	2,431,953	1,564,349	2,154,182	1,404,521
Depreciation of property, plant and equipment	5	1,911,691	1,181,292	535,665	365,840
Depreciation of right-of-use assets	6	1,892,166	475,540	649,393	425,213
Fair value loss on other investment	23	24,000	168,000	-	-
Gain on lease termination	6(d)	(2,721)	-	-	-
Gain upon deemed disposal		-	(23,437,500)	-	-
Impairment losses on investment in a subsidiary	9(e)	-	-	-	35,686
Intangible assets written off	8	1,571,366	152,238	1,571,366	152,238
Interest expense		247,998	69,997	10,373	18,795
Interest income	23	(76,971)	(58,203)	-	(6,685)
Inventories written off	12(d)	380,778	648,665	379,324	648,665
Impairment loss on trade and other receivables	14(i)	464,005	-	-	-
Loss on lease modification	6(d)	5,073	-	-	-
Loss/(Gain) on disposals of:					
- property, plant and equipment	23	(120,002)	(81,400)	-	(1,000)
- right-of-use asset	23	-	(778)	-	-
- intangible assets	23	54,910	-	-	-
Reversal of impairment loss on trade and other receivables	14(i)	-	(146,133)	-	-
Share of results of an associate	10(g)	(33,197,657)	(8,400,489)	-	-
Unrealised loss/(gain) on foreign exchange	23	1,385,243	(1,178,897)	-	-
Unwinding of financial guarantee contracts		-	-	(975,996)	(88,168)
Operating profit before changes in working capital		12,836,163	8,800,699	7,764,536	3,342,586
Inventories		257,261	4,415,095	476,424	4,266,181
Contract assets		(355,737)	-	-	-
Trade and other receivables		(5,036,236)	319,590	1,487,795	(11,149,673)
Contract liabilities		65,307	-	-	-
Trade and other payables		2,952,158	(5,889,089)	1,082,824	(240,518)
Cash generated from/(used in) operations		10,718,916	7,646,295	10,811,579	(3,781,424)

The accompanying notes form an integral part of the financial statements

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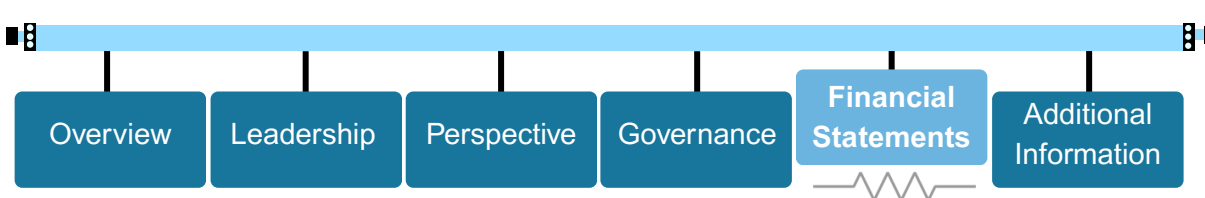
**STATEMENT OF CASH FLOWS**

**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025**

(With comparative figures for the financial period from 1 July 2023 to 30 June 2024)

	Note	Group		Company	
		31.12.2025 RM	30.6.2024 RM Restated	31.12.2025 RM	30.6.2024 RM
Interest received		76,971	58,203	-	6,685
Interest paid		(72,628)	(55,829)	(228)	(1,314)
Tax paid		(5,147,248)	(1,717,631)	(1,924,356)	-
Tax refunded		2,324,417	527,569	454,836	394,194
Net cash from/(used in) operating activities		7,900,428	6,458,607	9,341,831	(3,381,859)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Additions of intangible assets	8	(2,585,662)	(3,599,527)	(2,549,153)	(1,660,390)
Additions of right-of-use assets	6(k)	(141,683)	(30,329)	-	-
Acquisition of interests in other investment		-	(1,800,000)	-	-
Acquisition of a subsidiary, net of cash	9(h)	3,985,746	-	-	-
Acquisition of interest in investment in subsidiaries		-	-	-	(2,600)
Advances to subsidiaries		-	-	(4,432,649)	-
Repayments from subsidiaries		-	-	-	969,358
Purchase of property, plant and equipment	5(d)	(4,052,321)	(512,604)	(219,694)	(89,464)
Proceeds from disposals of: - property, plant and equipment		120,000	81,400	-	1,000
- Intangible assets		441,760	-	-	-
- right-of-use asset		-	315,000	-	-
Net cash used in investing activities		(2,232,160)	(5,546,060)	(7,201,496)	(782,096)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Dividends paid	26	-	(536,744)	-	(536,744)
Drawdown of trust receipts		788,649	-	-	-
Repayments of term loan	17(j)	(119,833)	(74,134)	-	-
Payments of lease liabilities	6(e)	(2,053,723)	(720,308)	(684,383)	(468,798)
Net cash used in financing activities		(1,384,907)	(1,331,186)	(684,383)	(1,005,542)
Net changes in cash and cash equivalents		4,283,361	(418,639)	1,455,952	(5169,497)
Effects of exchange rate changes on cash and cash equivalents		698,557	1,291,091	-	-
Cash and cash equivalents at beginning of financial period/year		18,655,640	17,783,188	287,252	5,456,749
Cash and cash equivalents at end of financial period/year	15	23,637,558	18,655,640	1,743,204	287,252

The accompanying notes form an integral part of the financial statements



**MIKRO MSC BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**

1. CORPORATE INFORMATION

Mikro MSC Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the company is located at E-10-4, Megan Avenue 1, 189, Jalan Tun razak, 50400 Kuala Lumpur, WP, and principal place of business of the company is located at No.3, Jalan Anggerik Mokara 31/48, Kawasan Industri Kota Kemuning, 40460 Shah Alam, Selangor.

The consolidated financial statements for the financial period ended 31 December 2025 comprise the Company and its subsidiaries and the interest of the Group in an associate.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the research, development, design and manufacturing of analogue, digital and computer-controlled electronic systems or devices for use in electrical, electronic and other industries, as well as the provision of technical and maintenance services and the manufacturing and trading of biomass fuel products. On 27 November 2024, the Company had diversified its business to include design, manufacturing and installation of signs and advertising displays, and interior fit-out services.

The principal activities of the subsidiaries, and associate companies are disclosed in Notes 9 and 10 to the financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

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

The preparation of financial statements in conformity with the MFRS required the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. It also requires the Directors to exercise their judgments in the process of applying the Group’s and the Company’s accounting policies. Although these estimates and judgments are based on Directors’ best knowledge of current events and actions, actual results may differ.

The financial statements have been prepared under the historical cost convention, except as disclosed in material accounting policy information section and are presented in Ringgit Malaysia (RM).

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**MIKRO MSC BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

3. MATERIAL ACCOUNTING POLICY INFORMATION – (Continued)

(a) Basis of preparation – (continued)

The Group and the Company adopted the following Standard and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standard Board (“MASB”) during the financial period:

	Effective Date
Amendments to MFRS 107 and MFRS7 Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16 Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101 Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 121 “The Effects of Changes in Foreign Exchange Rates” (Lack of Exchangeability)	1 January 2025

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

	Effective Date
Amendments to MFRS 1, “First-time Adoption of Malaysian Financial Reporting Standards”	1 January 2026
Amendments to MFRS 7, “Financial Instruments: Disclosures	1 January 2026
Amendments to MFRS 9, “Financial Instruments	1 January 2026
Amendments to MFRS 10, “Consolidated Financial Statements	1 January 2026
Amendments to MFRS 107, “Statement of Cash Flows	1 January 2026
Amendments to MFRS 9 and MFRS 7 Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10, “Consolidated Financial Statements” and MFRS 128, “Investments in Associates and Joint Ventures” (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Deferred

The adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and of the Company.

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**(Incorporated in Malaysia)****NOTES TO THE FINANCIAL STATEMENTS – (Continued)****4. OPERATING SEGMENTS****(a) Business segments**

31 December 2025

The Group operates mainly in Malaysia and Singapore of a newly acquired subsidiary.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers.

The composition of each geographical segment is as follows:

(i) Malaysia: Research, development, design and manufacturing of analogue, digital and computer-controlled electronic;  
Manufacturing and trading of biomass fuel products.

(ii) Singapore: Design, manufacture and install of signs and advertising displays and interior fit-out services.

30 June 2024

The business of the Group and of the Company is generated from the sales of analogue, digital and computer controlled electronic systems or devices and there was only one business segment identified.

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

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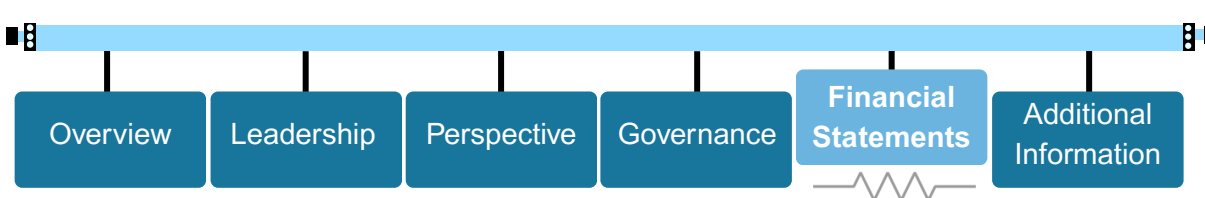
## MIKRO MSC BERHAD (Incorporated in Malaysia)

### Notes to the Financial Statement (Continued)

#### 4. OPERATING SEGMENTS – (Continued)

##### (a) Business segments – (Continued)

31 December 2025	Manufacturing RM	Biomass fuel RM	Signage and interior fit- out service RM	Elimination RM	Group RM
External sales	99,626,524	-	10,072,740	-	109,699,264
Intersegment sales	45,501,195	-	19,521	(45,520,716)	-
Total revenue	145,127,719	-	10,092,261	(45,520,716)	109,699,264
Share of results of an associate	-	33,197,657	-	-	33,197,657
Segment results	(13,302,107)	-	3,429,386	12,714,110	2,841,389
Interest income	-	-	-	-	76,971
Operating profit	-	-	-	-	36,116,017
Finance cost	-	-	-	-	(251,686)
Profit before tax	-	-	-	-	35,864,331
Tax expense	-	-	-	-	(2,079,399)
Profit after tax	-	-	-	-	33,784,932
Segment assets	195,138,893	156,441,896	11,326,291	(40,089,318)	322,817,762
Segment liabilities	70,011,268	-	2,692,984	(51,822,747)	20,881,505
Other information					
Amortisation of intangible assets	2,431,953	-	-	-	2,431,953
Depreciation of right-of-use assets	1,388,375	-	503,791	-	1,892,166
Depreciation of property, plant and equipment	1,821,802	-	89,889	-	1,911,691
Intangible assets written off	1,571,366	-	-	-	1,571,366
Interest expenses	197,639	-	54,047	-	251,686
Impairment loss on trade and other receivables	464,005	-	-	-	464,005
Gain on disposal of property, plant and equipment	(120,002)	-	-	-	(120,002)



**MIKRO MSC BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS – (Continued)**

4. OPERATING SEGMENTS – (Continued)

(b) Geographical information

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of its customers.

Segment assets are based on the geographical location of the assets of the Group.

The non-current assets do not include financial instruments.

	31.12.2025 RM	30.6.2024 RM
Revenue from external customers		
Australia	225,267	68,246
Bangladesh	4,123,227	2,314,792
Cambodia	328,989	369,783
Hong Kong	136,398	92,262
India	2,249,087	1,256,541
Indonesia	5,856,599	3,986,774
Malaysia	56,658,960	33,580,497
Myanmar	144,335	273,336
Others	653,424	333,997
Philippines	209,750	259,940
Singapore	9,788,276	172,595
Sri Lanka	255,569	132,382
Taiwan	350,883	258,972
Thailand	1,824,926	1,303,908
USA	971,457	-
Vietnam	25,922,117	12,765,726
	<u>109,699,264</u>	<u>57,169,751</u>
	31.12.2025 RM	30.6.2024 RM
Non-current assets		
Malaysia	87,636,107	58,034,277
Singapore	866,295	-
	<u>88,502,402</u>	<u>58,034,277</u>

(c) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of Group revenue:

	31.12.2025 RM	30.6.2024 RM
Customer A	<u>24,012,423</u>	<u>11,749,516</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 5. PROPERTY, PLANT AND EQUIPMENT

	Balance as at 1.7.2024 RM	Additions RM	Acquisition of a subsidiary RM	Reclassification from right-of- use assets RM	Depreciation charge for the financial period RM	Translation differences RM	Balance as at 31.12.2025 RM
Group Carrying amount							
Freehold land	8,684,500	-	-	-	-	-	8,684,500
Factory buildings	6,533,486	-	-	-	(227,574)	-	6,305,912
Factory equipment	2,840,679	3,732,070	194,561	-	(983,964)	(5,901)	5,777,445
Furniture and fittings	833,242	209,580	3,602	-	(261,406)	(73)	784,945
Motor vehicles	55,826	-	-	171,869	(109,501)	-	118,194
Office equipment	303,696	531,457	9,780	-	(201,184)	(1,014)	642,735
Software applications and equipment	24,976	342,414	-	-	(56,027)	-	311,363
Renovation	18,521	748,222	26,867	-	(72,035)	(89)	721,486
	<u>19,294,926</u>	<u>5,563,743</u>	<u>234,810</u>	<u>171,869</u>	<u>(1,911,691)</u>	<u>(7,077)</u>	<u>23,346,580</u>
					[----- As at 31.12.2025 -----]		
					Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold land					8,684,500	-	8,684,500
Factory buildings					7,585,794	(1,279,882)	6,305,912
Factory equipment					15,708,976	(9,931,531)	5,777,445
Furniture and fittings					2,161,962	(1,377,017)	784,945
Motor vehicles					1,629,601	(1,511,407)	118,194
Office equipment					2,556,882	(1,914,147)	642,735
Software applications and equipment					1,204,260	(892,897)	311,363
Renovation					1,025,931	(304,445)	721,486
					<u>40,557,906</u>	<u>(17,211,326)</u>	<u>23,346,580</u>







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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 5. PROPERTY, PLANT AND EQUIPMENT – (Continued)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.
- (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 estimated useful lives represent the common life expectancies applied in the industry within which the Group operates. The principal annual depreciation rates are as follows:

Factory buildings	2%
Factory equipment	10% - 14%
Furniture and fittings	10%
Motor vehicles	14%
Office equipment	14% - 20%
Software applications and equipment	14%
Renovation	14%

Freehold land has unlimited useful life and is not depreciated

- (c) As at the end of the reporting period, freehold land and factory buildings of the Group with a carrying amount of RM14,990,412 (2024: RM15,217,986) have been charged to a bank for flexi loan facility granted to the Group.
- (d) Analysis of purchase of property, plant and equipment:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Cash	4,052,321	512,604	219,694	89,464
Payables	1,511,422	-	6,463	-
	<u>5,563,743</u>	<u>512,604</u>	<u>226,157</u>	<u>89,464</u>

- (e) During the current financial period, factory equipment of the Group with cost and carrying amount amounting to RM36,220 and Nil respectively, has been written-off.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 6. LEASES

	Balance as at 1.7.2024	Additions	Acquisition of a subsidiary	Lease termination	Lease modification	Reclassification to property, plant and equipment	Depreciation charge for the financial period	Translation differences	Balance as at 31.12.2025
Right-of-use assets	RM	RM	RM	RM	RM	RM	RM	RM	RM
Carrying amount									
Buildings	174,809	6,083,425	-	(113,547)	270,773	-	(1,385,368)	(19,397)	5,010,695
Motor vehicles	1,259,473	921,683	294,467	-	-	(171,869)	(492,801)	(7,340)	1,803,613
Office equipment	-	-	63,193	-	-	-	(13,997)	(1,980)	47,216
	<u>1,434,282</u>	<u>7,005,108</u>	<u>357,660</u>	<u>(113,547)</u>	<u>270,773</u>	<u>(171,869)</u>	<u>(1,892,166)</u>	<u>(28,717)</u>	<u>6,861,524</u>
Lease liabilities	Balance as at 1.7.2024 RM	Additions RM	Acquisition of a subsidiary RM	Lease termination RM	Lease modification RM	Lease payments RM	Interest expense RM	Translation differences RM	Balance as at 31.12.2025 RM
Carrying amount									
Buildings	172,335	6,083,425	-	(116,268)	275,846	(1,489,541)	172,789	(18,504)	5,080,082
Motor vehicles	923,585	780,000	289,767	-	-	(613,503)	63,275	(7,643)	1,435,481
Office equipment	-	-	65,658	-	-	(13,954)	2,581	(2,172)	52,113
	<u>1,095,920</u>	<u>6,863,425</u>	<u>355,425</u>	<u>(116,268)</u>	<u>275,846</u>	<u>(2,116,998)</u>	<u>238,645</u>	<u>(28,319)</u>	<u>6,567,676</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 6. LEASES – (Continued)

	Balance as at 1.7.2023 RM	Additions RM	Disposal RM	Depreciation charge for the financial year RM	Balance as at 30.6.2024 RM
Right-of-use assets					
Carrying amount					
Buildings	140,480	227,092	-	(192,763)	174,809
Motor vehicles	1,559,143	297,329	(314,222)	(282,777)	1,259,473
	<u>1,699,623</u>	<u>524,421</u>	<u>(314,222)</u>	<u>(475,540)</u>	<u>1,434,282</u>
Lease liabilities	Balance as at 1.7.2023 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2024 RM
Carrying amount					
Buildings	143,143	227,092	(212,068)	14,168	172,335
Motor vehicles	1,164,825	267,000	(552,079)	43,839	923,585
	<u>1,307,968</u>	<u>494,092</u>	<u>(764,147)</u>	<u>58,007</u>	<u>1,095,920</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 6. LEASES – (Continued)

##### The company as lessee (continued)

	Balance as at 1.7.2024 RM	Addition RM	Depreciation charge for the financial period RM	Reclassification to property, plant and equipment RM	Balance as at 31.12.2025 RM
Right-of-use assets					
Carrying amount					
Buildings	273,931	440,528	(641,039)	-	73,420
Motor vehicles	52,169	-	(8,354)	(43,815)	-
	<u>326,100</u>	<u>440,528</u>	<u>(649,393)</u>	<u>(43,815)</u>	<u>73,420</u>
Lease liabilities					
Carrying amount					
Buildings	295,417	440,528	(671,580)	10,145	74,510
Motor vehicles	12,803	-	(13,031)	228	-
	<u>308,220</u>	<u>440,528</u>	<u>(684,611)</u>	<u>10,373</u>	<u>74,510</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 6. LEASES – (Continued)

##### The company as lessee (continued)

	Balance as at 1.7.2023 RM	Depreciation charge for the financial year RM	Balance as at 30.6.2024 RM	
Right-of-use assets				
Carrying amount				
Buildings	684,823	(410,892)	273,931	
Motor vehicles	66,490	(14,321)	52,169	
	<u>751,313</u>	<u>(425,213)</u>	<u>326,100</u>	
	Balance as at 1.7.2023 RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2024 RM
Lease liabilities				
Carrying amount				
Buildings	725,656	(447,720)	17,481	295,417
Motor vehicles	33,881	(22,392)	1,314	12,803
	<u>759,537</u>	<u>(470,112)</u>	<u>18,795</u>	<u>308,220</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 6. LEASES – (Continued)

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Current liabilities	1,862,992	454,013	74,510	308,220
Non-current liabilities	4,704,684	641,907	-	-
	<u>6,567,676</u>	<u>1,095,920</u>	<u>74,510</u>	<u>308,220</u>
Lease liabilities owing to financial institutions	1,432,863	923,585	-	12,803
Lease liabilities owing to non-financial institutions	5,134,813	172,335	74,510	295,417
	<u>6,567,676</u>	<u>1,095,920</u>	<u>74,510</u>	<u>308,220</u>

- (a) The 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 re-measurement of the lease liabilities.

- (b) 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:

Buildings	2 - 5 years
Motor vehicles	7 years
Office Equipment	5 years

- (c) The Group has certain leases of machineries and equipments with lease term of twelve (12) months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the “short-term lease” and “lease of low-value assets” exemptions for these leases.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 6. LEASES – (Continued)

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

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Gain on disposal of right-of-use assets (included in other operating income)	-	(778)	-	-
Depreciation charge of right-of-use assets (included in cost of sales and other operating expenses)	1,892,166	475,540	649,393	425,213
Interest expense on lease liabilities (included in finance costs)	238,645	58,007	10,373	18,795
Gain on lease termination (included in other operating expenses)	(2,721)	-	-	-
Loss on lease modification (included in other operating expenses)	5,073	-	-	-
Expense relating to short-term leases (included in cost of sales and other operating expenses)	248,757	61,350	30,142	14,527
Expense relating to leases of low-value assets (included in other operating expenses)	18,153	10,598	-	-
	<u>2,400,073</u>	<u>604,717</u>	<u>689,908</u>	<u>458,535</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 6. LEASES – (Continued)

(e) The following are total cash outflows for leases as a lessee:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Included in net cash from/(used in) operating activities				
Payment relating to short-term leases and low value assets	266,910	71,948	30,142	14,527
Included in net cash used in investing activities				
Additions of right-of-use assets	141,683	30,329	-	-
Included in net cash used in financing activities				
Payment of lease liabilities	2,053,723	720,308	684,383	468,798
	<u>2,462,316</u>	<u>822,585</u>	<u>714,525</u>	<u>483,325</u>

(f) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

(g) The currency exposure profile of lease liabilities is as follows:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Ringgit Malaysia	5,843,967	1,095,920	74,510	308,220
Singapore Dollar	723,709	-	-	-
	<u>6,567,676</u>	<u>1,095,920</u>	<u>74,510</u>	<u>308,220</u>

(h) As the influence of foreign currency changes on the profit or loss is insignificant, no sensitivity analysis has been conducted.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 6. LEASES – (Continued)

- (i) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	Weighted average incremental borrowing rate per annum %	On demand or within one year RM	One to five years RM	Total RM
31 December 2025				
Lease liabilities	3.77	2,119,222	4,950,779	7,070,001
30 June 2024				
Lease liabilities	2.99	494,663	677,537	1,172,200
Company				
31 December 2025				
Lease liabilities	3.55	74,620	-	74,620
30 June 2024				
Lease liabilities	3.64	311,510	-	311,510

- (j) Reconciliation of liabilities arising from financing activities:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Balance as at 1 July	1,095,920	1,307,968	308,220	759,537
Cash flows				
- Payments of lease liabilities	(2,116,998)	(764,147)	(684,611)	(470,112)
- Interest paid	63,275	43,839	228	1,314
	(2,053,723)	(720,308)	(684,383)	(468,798)
Non-cash flows:				
- Additions of right-of-use assets	6,863,425	494,092	440,528	-
- Acquisition of a subsidiary	355,425	-	-	-
- Lease termination	(116,268)	-	-	-
- Lease modification	275,846	-	-	-
- Unwinding of interest	175,370	14,168	10,145	17,481
- Translation differences	(28,319)	-	-	-
Balance as at 31 December/30 June	6,567,676	1,095,920	74,510	308,220

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 6. LEASES – (Continued)

(k) The Group and the Company made the following cash payments to purchase right-of-use assets:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Purchase of right-of-use assets	7,005,108	524,421	-	-
Financed by lease liabilities	(6,863,425)	(494,092)	-	-
Cash payments on purchase of right-of-use assets	<u>141,683</u>	<u>30,329</u>	<u>-</u>	<u>-</u>

(l) Sensitivity analysis for fixed rate lease liabilities at the end of the reporting period is not presented as fixed rate instruments is not affected by changes in interest rates.

#### 7. GOODWILL

Group	31.12.2025 RM	30.6.2024 RM
Carrying amount		
Goodwill	<u>47,277,134</u>	<u>24,373,578</u>

(a) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

(b) Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the cash generating unit (“CGU”) based on value-in-use. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGU.

(c) During the financial period/year, the cash flow projections are based on budgets for the next five (5) years, with various inputs, assumptions and terminal value thereafter. The cash flows were probability weighted based on the following scenarios:

31 December 2025	Mikro Busway Sdn. Bhd.	Mikro Smartconnection Sdn. Bhd.	TES Productions & Projects Pte. Ltd.
Growth rates	10.95%	2%	5%
Operating profit margin	7%	22%	37%
Pre-tax discount rate	<u>10.70%</u>	<u>10.70%</u>	<u>10.70%</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 7. GOODWILL – (Continued)

- (c) During the financial period/year, the cash flow projections are based on budgets for the next five (5) years, with various inputs, assumptions and terminal value thereafter. The cash flows were probability weighted based on the following scenarios: – (continued)

30 June 2024	Mikro Busway Sdn. Bhd.	Mikro Smartconnection Sdn. Bhd.
Growth rates	27%	28%
Operating profit margin	13%	15%
Pre-tax discount rate	11%	11%

Based on the impairment assessment undertaken by the Group, no impairment loss is required for the carrying amount of the goodwill as at 31 December 2025 as the recoverable amount is in excess of the carrying amount.

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 8. INTANGIBLE ASSETS

Group	Balance as at 1.7.2024 RM	Additions RM	Disposal RM	Amortisation charge for the financial period RM	Written off RM	Balance as at 31.12.2025 RM
Carrying amount						
Development costs:						
- On-going development cost	2,174,849	1,984,428	-	-	(1,255,414)	2,903,863
- Completed development cost	8,606,266	564,725	-	(2,154,182)	(315,952)	6,700,857
Testing certificate	2,150,376	36,509	(496,670)	(277,771)	-	1,412,444
	<u>12,931,491</u>	<u>2,585,662</u>	<u>(496,670)</u>	<u>(2,431,953)</u>	<u>(1,571,366)</u>	<u>11,017,164</u>

[----- As at 31.12.2025 -----]

	Cost RM	Accumulated amortisation RM	Accumulated impairment losses RM	Carrying amount RM
Development costs:				
- On-going development cost	3,241,829	-	(337,966)	2,903,863
- Completed development cost	22,494,282	(14,621,269)	(1,172,156)	6,700,857
Testing certificate	2,067,587	(655,143)	-	1,412,444
Customer contracts	1,941,000	(1,941,000)	-	-
	<u>29,744,698</u>	<u>(17,217,412)</u>	<u>(1,510,122)</u>	<u>11,017,164</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 8. INTANGIBLE ASSETS – (Continued)

Group	Balance as at 1.07.2023 RM	Additions RM	Amortisation charge for the financial year RM	Written off RM	Balance as at 30.6.2024 RM
Carrying amount					
Development costs:					
- On-going development cost	785,764	1,541,323	-	(152,238)	2,174,849
- Completed development cost	9,913,724	119,066	(1,426,524)	-	8,606,266
Testing certificate	349,063	1,939,138	(137,825)	-	2,150,376
	<u>11,048,551</u>	<u>3,599,527</u>	<u>(1,564,349)</u>	<u>(152,238)</u>	<u>12,931,491</u>

[----- As at 30.6.2024 -----]				
	Cost RM	Accumulated amortisation RM	Accumulated impairment losses RM	Carrying amount RM
Development costs:				
- On-going development cost	2,512,815	-	(337,966)	2,174,849
- Completed development cost	22,245,509	(12,467,087)	(1,172,156)	8,606,266
Testing certificate	2,527,748	(377,372)	-	2,150,376
Customer contracts	1,941,000	(1,941,000)	-	-
	<u>29,227,072</u>	<u>(14,785,459)</u>	<u>(1,510,122)</u>	<u>12,931,491</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 8. INTANGIBLE ASSETS – (Continued)

Company	Balance as at 1.7.2024 RM	Additions RM	Amortisation charge for the financial period RM	Written off RM	Balance as at 31.12.2025 RM
Carrying amount					
Development costs					
- On-going development cost	2,471,041	1,984,428	-	(1,255,414)	3,200,055
- Completed development cost	9,844,941	564,725	(2,154,182)	(315,952)	7,939,532
	<u>12,315,982</u>	<u>2,549,153</u>	<u>(2,154,182)</u>	<u>(1,571,366)</u>	<u>11,139,587</u>
	[----- As at 31.12.2025 -----]				
	Cost RM	Accumulated amortisation RM	Accumulated impairment losses RM	Carrying amount RM	
Development costs					
- On-going development cost	3,538,021	-	(337,966)	3,200,055	
- Completed development cost	30,011,852	(20,812,320)	(1,260,000)	7,939,532	
	<u>33,549,873</u>	<u>(20,812,320)</u>	<u>(1,597,966)</u>	<u>11,139,587</u>	

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 8. INTANGIBLE ASSETS – (Continued)

Company	Balance as at 1.7.2023 RM	Additions RM	Amortisation charge for the financial year RM	Written off RM	Balance as at 30.6.2024 RM
Carrying amount					
Development costs					
- On-going development cost	1,081,956	1,541,323	-	(152,238)	2,471,041
- Completed development cost	11,130,395	119,067	(1,404,521)	-	9,844,941
	<u>12,212,351</u>	<u>1,660,390</u>	<u>(1,404,521)</u>	<u>(152,238)</u>	<u>12,315,982</u>
	[----- As at 30.6.2024 -----]				
		Cost RM	Accumulated amortisation RM	Accumulated impairment losses RM	Carrying amount RM
Development costs					
- On-going development cost		2,809,007	-	(337,966)	2,471,041
- Completed development cost		30,047,289	(18,942,348)	(1,260,000)	9,844,941
		<u>32,856,296</u>	<u>(18,942,348)</u>	<u>(1,597,966)</u>	<u>12,315,982</u>



## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 8. INTANGIBLE ASSETS – (Continued)

- (a) Expenditure on development activities of internally developed products is recognised as an intangible asset when it relates to the production of new or substantively improved products and processes and when the Group can demonstrate that it is technically feasible to develop the product or processes, adequate resources are available to complete the development and that there is an intention to complete and sell the product or processes to generate future economic benefits.
- (b) Capitalised development costs are amortised on a straight-line basis over a period of twelve (12) years (2024: twelve (12) years) based on the assessment of the existing products' market lifespan. Development expenditure not satisfying the criteria mentioned and expenditure arising from research or from the research phase of internal projects are recognised in profit or loss as incurred.
- (c) The testing certificate acquired separately for the purpose of selling imported products from overseas in Malaysia is measured on initial recognition at cost.
- (d) Following initial recognition, the testing certificate is carried at costs less any accumulated amortisation and accumulated impairment losses, if any. The useful life of the testing certificate is assessed to be finite and is amortised on a straight-line basis over the estimated economic useful life of twelve (12) years (2024: twelve (12) years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once at the end of each reporting period. The amortisation expense on the testing certificate with finite useful life is recognised in the profit or loss.
- (e) The customer contracts were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition, and are subsequently amortised on a straight-line basis based on the timing of projected cash flows of the contracts over their estimated economic useful life of one (1) year.
- (f) During the financial period, amortisation for intangible assets of the Group and of the Company amounting to RM2,431,953 (2024: RM1,564,349) and RM2,154,182 (2024: RM1,404,521) respectively has been recognised in profit or loss under cost of sales.
- (g) During the financial period, the Group and the Company wrote off development costs relating to ongoing and completed development costs amounting to RM1,255,414 with a cost of Nil and RM315,952 with a cost of RM600,162 respectively.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 9. INVESTMENT IN SUBSIDIARIES

	Company 31.12.2025 RM	30.6.2024 RM Restated
At cost:		
- Unquoted shares	98,427,914	69,439,150
Accumulated impairment losses	<u>(686,110)</u>	<u>(686,110)</u>
	<u>97,741,804</u>	<u>68,753,040</u>

- (a) Investments in subsidiaries, which are eliminated on consolidation are stated in the separate financial statements of the Company at cost less impairment losses, if any. Non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs.
- (b) The Company has assessed whether there were any indicators of impairment during the financial period. The Company determines whether an impairment loss is required by evaluating the extent to which the recoverable amount is less than its carrying amount. The recoverable amount is determined based on the value-in-use and fair value less cost to sell.

Value-in-use is the net present value of the projected future cash flows, which involve judgements in estimating the key assumptions, including growth rate, operating profit margin as well as determining an appropriate pre-tax discount rate.

- (c) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025	2024	
Mikro Sdn. Bhd.	Malaysia	100%	100%	Sales of analogue, digital and computer controlled electronic devices for the purpose of protecting, monitoring and programming in an electrical system.
Formula Concept Sdn. Bhd. <sup>^</sup>	Malaysia	100%	100%	Manufacturing of analogue, digital and computer controlled electronic devices for the purpose of protecting, monitoring and programming in an electrical system.
Mikrocap Sdn. Bhd. ("Mikrocap")	Malaysia	100%	100%	Trading of capacitors.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 9. INVESTMENT IN SUBSIDIARIES – (Continued)

(c) The details of the subsidiaries are as follows: – (continued)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity 2025	2024	Principal activities
Mikro Busway Sdn. Bhd. ("Busway") (formerly known as EPE Busway Sdn. Bhd.)	Malaysia	100%	100%	Manufacturing and dealing of medium voltage and low voltage busway system.
Mittric Systems Sdn. Bhd. ("Mittric")	Malaysia	100%	100%	Trading of busduct.
Mikro Smartconnection Sdn. Bhd. ("Smartconnection")	Malaysia	60%	60%	Manufacturing of coil, transformer and all types of magnetic from low to high power.
Mikro Energy Solutions Sdn. Bhd. ("Energy")	Malaysia	100%	100%	The installation of non-electric solar energy collectors and operation of generation facilities that produce electric energy.
Mikro Engineering Solutions Sdn. Bhd. ("Engineering")	Malaysia	100%	100%	Trading and service of electrical equipment and components and carry out business of contracting services related to the installation, troubleshooting, repair and maintenance of electrical and electronic systems.
TES Production & Projects Pte. Ltd. ("TES") *	Singapore	100%	-	General contractors and manufacturer of signs and advertising displays.

\* Subsidiaries not audited by HLB Ler Lum Chew PLT

^ In the process of members' voluntary winding-up

(d) The reconciliation of movement in the impairment loss is as follows:

	Company	
	31.12.2025 RM	30.6.2024 RM
Balance as at 1 July 2024/2023	686,110	650,424
Charge for the financial period/year	-	35,686
Balance as at 31 December/30 June	<u>686,110</u>	<u>686,110</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 9. INVESTMENT IN SUBSIDIARIES – (Continued)

(e) During the previous year, the Company had made an additional impairment of RM Nil (2024: RM35,686) in respect of a subsidiary due to poor financial position of the subsidiary. The recoverable amount of the cost of investment in the subsidiary was based on its fair value less cost to sell (“FVLCTS”) of the underlying assets. The net assets of the subsidiary were used as a proxy for its recoverable amount based on FVLCTS method and were within Level 3 of the fair value hierarchy.

(f) The subsidiary of the Group that had material non-controlling interests (“NCI”) was as follows:

	Mikro Smartconnection	
	31.12.2025	30.6.2024
NCI percentage of ownership interest and voting interest	40%	40%
Carrying amount of NCI (RM)	<u>533,310</u>	<u>275,904</u>
Profit/(Loss) allocated to NCI (RM)	<u>257,406</u>	<u>(13,823)</u>
Total comprehensive income/(loss) allocated to NCI (RM)	<u>257,406</u>	<u>(13,823)</u>

(g) The summarised financial information before intra-group elimination of the subsidiary that had NCI as at the end of each reporting period were as follows:

	Mikro Smartconnection	
	31.12.2025	30.6.2024
	RM	RM
<b>Assets and liabilities</b>		
Non-current assets	270,743	205,986
Current assets	1,502,048	586,665
Non-current liabilities	(84,970)	(13,220)
Current liabilities	<u>(567,558)</u>	<u>(302,682)</u>
Net assets	<u>1,120,263</u>	<u>476,749</u>
<b>Results</b>		
Revenue	4,130,149	1,316,832
Profit/(Loss) for the financial period/year	643,514	(34,557)
Total comprehensive income/(loss)	<u>643,514</u>	<u>(34,557)</u>
Net cash flows from operating activities	575,422	72,973
Net cash flows used in investing activities	(34,105)	-
Net cash flows used in financing activities	<u>(165,186)</u>	<u>(236,680)</u>
Net changes in cash and cash equivalents	<u>376,131</u>	<u>(163,707)</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 9. INVESTMENT IN SUBSIDIARIES – (Continued)

##### (h) Acquisition of TES Production & Projects Pte. Ltd. (“TES”)

On 14 January 2025, the Company completed the acquisition of 100% of the equity interest in TES Production & Projects Pte. Ltd. (“TES”) from Calida Group Pte. Ltd. for a total consideration of RM28,988,764 to be satisfied entirely through issuance of 134,831,460 new ordinary shares in the Company.

The fair values of identifiable assets acquired and liabilities assumed have been determined on a provisional basis and will be finalised within one year after the acquisition date.

Details of the consideration transferred and goodwill recognised are as follows:

	RM
Purchase consideration	28,988,764
Less: Share of net assets acquired	
Fair value of net assets acquired	6,085,208
Provisional goodwill	<u>22,903,556</u>

The provisionally determined fair values of the assets and liabilities as at the date of acquisition are as follows:

	RM
Property, plant and equipment	234,810
Right-of-use assets	357,660
Trade and other receivables	2,952,027
Cash and bank balances	3,985,746
Trade and other payables	(1,089,610)
Lease liabilities	(355,425)
Identifiable net assets acquired	<u>6,085,208</u>

Details of cash flow arising from the acquisition are as follows:-

	RM
Purchase consideration	28,988,764
Less: Ordinary shares issued	<u>(28,988,764)</u>
Cash consideration	-
Less: Cash and cash equivalents in subsidiary acquired	<u>(3,985,746)</u>
Net cash (inflow)/outflow on acquisition	<u>(3,985,746)</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 9. INVESTMENT IN SUBSIDIARIES – (Continued)

##### (h) Acquisition of TES Production & Projects Pte. Ltd. (“TES”) – (continued)

- (a) Had the subsidiary been acquired on 1 July 2024, contributed revenue and profit for the financial period ended 31 December 2025 would have been RM15,287,157 and RM4,641,787 respectively.
- (b) The Group incurred acquisition-related costs of RM674,269. These costs are included in “Administrative expenses” in the Income Statements and in operating cash flows in the Statements of Cash Flows.

#### 10. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Shares at cost	114,843,750	114,843,750	91,406,250	91,406,250
Share of post-acquisition reserves	41,598,146	8,400,489	-	-
	<u>156,441,896</u>	<u>123,244,239</u>	<u>91,406,250</u>	<u>91,406,250</u>

- (a) Investment in an associate is measured at cost less impairment losses in the separate financial statements of the Company and accounted for using equity method in the consolidated financial statements.
- (b) During the financial period, the Company entered into an agreement on share exchange of its 25% equity in Bio Eneco Sdn Bhd (“BESB”) for 25% equity interest in Elridge Energy Holdings Berhad (“EEHB”). Consequently, BESB ceased to be an associate of the Group and EEHB become an associate of the Group.
- (c) EEHB was successfully listed on the ACE market of Bursa Securities Malaysia Berhad (“Bursa Securities”) and raised RM101,500,000 through its initial public offering. Consequently, the Group’s effective interest in EEHB has been diluted to 20.625%.
- (d) The Group has assessed whether there were any indicators of impairment during the financial period. The Group determines whether an impairment loss is required by evaluating the extent to which the recoverable amount is less than its carrying amount. The recoverable amount is determined based on the fair value of the quoted shares.

EEHB’s shares are quoted on the Bursa Securities following the IPO and the market value of the Group’s investment in EEHB at the end of reporting period was RM416,625,000.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 10. INVESTMENT IN AN ASSOCIATE – (Continued)

(e) The details of the associate are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025	2024	
Bio Eneco Sdn. Bhd. ("BESB")	Malaysia	-	25%	Manufacturing and trading of biomass fuel products
Elridge Holdings Berhad ("EEHB")	Energy Malaysia	20.625%	-	Investment holding company

(f) In the previous financial year, BESB had a financial year end of 31 December, which was not coterminous with that of the Group. Accordingly, the unaudited financial statements of BESB for the financial period ended 30 June 2024 were used in applying the equity method of accounting.

(g) The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

(i) Summarised statement of financial position

	EEHB 31.12.2025 RM	BESB 30.6.2024 RM
<b>Assets and liabilities</b>		
Current assets	302,534,860	118,705,453
Non-current assets	61,858,769	31,384,537
<b>Total assets</b>	<b>364,393,629</b>	<b>150,089,990</b>
Current liabilities	104,842,341	77,785,746
Non-current liabilities	27,541,588	13,686,869
<b>Total liabilities</b>	<b>132,383,929</b>	<b>91,472,615</b>
<b>Net assets</b>	<b>232,009,700</b>	<b>58,617,375</b>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 10. INVESTMENT IN AN ASSOCIATE – (Continued)

(g) The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

(ii) Summarised statement of comprehensive income

	EEHB 31.12.2025 RM	BESB 30.6.2024 RM
Results		
Revenue	630,443,176	347,587,623
Profit for the financial period	74,890,688	35,297,165
Total comprehensive income	<u>74,890,688</u>	<u>35,297,165</u>

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate

	EEHB 31.12.2025 RM	BESB 30.6.2024 RM
Net assets as at 1 July 2024 / 1 September 2023	58,617,375	23,320,210
Changes in equity arising from share issuance	98,501,637	-
Total comprehensive income	<u>74,890,688</u>	<u>35,297,165</u>
Net assets as at 31 December 2025/ 30 June 2024	232,009,700	58,617,375
Interest in associate	<u>20.625%</u> 47,852,001	<u>25.00%</u> 14,654,344
Goodwill	108,589,895	108,589,895
Carrying value of Group's interest in associate	<u>156,441,896</u>	<u>123,244,239</u>
	RM	RM
Share of profit for the financial period	15,711,382	8,400,489
Share of changes in equity	17,486,275	-
Share of results of an associate	<u>33,197,657</u>	<u>8,400,489</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 11. OTHER INVESTMENT

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Current				
Fair value through profit or loss:				
Quoted shares in Malaysia	<u>1,608,000</u>	<u>1,632,000</u>	<u>-</u>	<u>-</u>

- (a) The Group's and Company's other investments are classified as financial assets measured at fair value through profit or loss. These are strategic investments for which the Group and the Company consider this classification to be appropriate and relevant.
- (b) Quoted shares in Malaysia are categorised as Level 1 fair value hierarchy. Fair value of quoted shares is determined by reference to exchange quoted market prices at the end of the reporting period.
- (c) Information on financial risks of other investments is disclosed in Note 29 to the financial statements.

#### 12. INVENTORIES

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
At cost				
Raw materials	10,538,182	8,919,144	7,065,565	5,742,051
Work-in-progress	2,949,854	3,586,297	2,274,106	2,466,380
Finished goods	7,987,742	9,608,376	7,403,248	9,390,236
	<u>21,475,778</u>	<u>22,113,817</u>	<u>16,742,919</u>	<u>17,598,667</u>

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost is determined using the weighted average method. The cost of raw materials comprises all costs of purchase, plus the cost of bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.
- (c) During the financial period, inventories of the Group and of the Company recognised as cost of sales amounted to RM44,804,034 and RM23,974,270 (2024: RM28,309,623 and RM12,937,955) respectively.
- (d) A write off of inventories amounting to RM380,778 (2024: RM648,665) and RM379,324 (2024: RM648,665) were made by the Group and the Company respectively during the financial period

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 13. CONTRACT ASSETS/(LIABILITIES)

	Group	
	31.12.2025 RM	30.6.2024 RM
Contract assets	355,737	-
Contract liabilities	(65,307)	-

The contract assets primarily relate to the Group's right to consideration for work completed but not billed at the reporting. The contract assets are transferred to trade receivables when the right becomes unconditional. This usually occurs when the Group invoices the customer.

The contract liabilities primarily relate to advance consideration received from customers for project of sign board and installation services.

#### 14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Trade receivables				
Third parties	23,895,041	19,391,690	-	-
Amount owing by a subsidiary	-	-	20,184,646	21,698,846
	23,895,041	19,391,690	20,184,646	21,698,846
Less: Impairment losses				
- Third parties	(1,147,774)	(683,769)	-	-
	22,747,267	18,707,921	20,184,646	21,698,846
Other receivables and deposits				
Amount owing by subsidiaries	-	-	7,887,007	123,900
Third parties	787,329	720,153	169,935	130,011
Deposits	711,284	139,023	-	13,520
	1,498,613	859,176	8,056,942	267,431
Less: Impairment losses				
- Third parties	(294,820)	-	-	-
	1,203,793	859,176	8,056,942	267,431
Total receivables	23,951,060	19,567,097	28,241,588	21,966,277
Prepayments	226,448	340,509	-	-
	24,177,508	19,907,606	28,241,588	21,966,277

- (a) Total receivables 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 and the Company ranging from 30 to 150 days (2024: 30 to 150 days). They are recognised at their original invoices amounts, which represent their fair values on initial recognition.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 14. TRADE AND OTHER RECEIVABLES – (Continued)

(c) Trade amount owing by a subsidiary is on normal credit terms of the Company. During the financial period, the non-trade amount owing by subsidiaries is unsecured, interest-free and repayable within next twelve (12) months in cash and cash equivalents.

(d) The currency exposure profile of receivables (excluding prepayments) is as follows:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Ringgit Malaysia	16,085,623	13,122,658	28,241,588	21,966,277
Singapore Dollar	3,289,187	-	-	-
US Dollar	4,419,398	6,343,461	-	-
Euro	93,430	100,978	-	-
Chinese Yuan	63,422	-	-	-
	<u>23,951,060</u>	<u>19,567,097</u>	<u>28,241,588</u>	<u>21,966,277</u>

(e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Effects of 3% (2024: 3%) changes to RM against foreign currencies				
Profit after taxation and equity				
- SGD/RM	±74,993	-	-	-
- USD/RM	±100,762	±144,631	-	-
- EUR/RM	±2,130	±2,302	-	-
- CNY/RM	±1,446	-	-	-

(f) The ageing analysis of trade receivables of the Group and of the Company are as follows:

	Gross RM	Impaired RM	Total RM
<b>Group</b>			
<b>31 December 2025</b>			
Current (not past due)	18,314,553	(157,856)	18,156,697
1 to 30 days past due	3,268,599	(175,988)	3,092,611
31 to 60 days past due	842,239	(66,326)	775,913
61 to 90 days past due	393,865	(53,073)	340,792
More than 90 days past due	1,058,023	(676,769)	381,254
	5,562,726	(972,156)	4,590,570
Credit impaired			
Individually impaired	17,762	(17,762)	-
	<u>23,895,041</u>	<u>(1,147,774)</u>	<u>22,747,267</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 14. TRADE AND OTHER RECEIVABLES – (Continued)

	Gross RM	Impaired RM	Total RM
30 June 2024			
Current (not past due)	12,358,677	(110,946)	12,247,731
1 to 30 days past due	3,273,849	(71,145)	3,202,704
31 to 60 days past due	418,471	(43,476)	374,995
61 to 90 days past due	1,811,587	(2,366)	1,809,221
More than 90 days past due	1,511,344	(438,074)	1,073,270
	7,015,251	(555,061)	6,460,190
Credit impaired			
Individually impaired	17,762	(17,762)	-
	<u>19,391,690</u>	<u>(683,769)</u>	<u>18,707,921</u>
Company			
31 December 2025			
Current (not past due)	3,647,955	-	3,647,955
1 to 30 days past due	2,483,531	-	2,483,531
31 to 60 days past due	1,887,762	-	1,887,762
61 to 90 days past due	3,358,227	-	3,358,227
More than 90 days past due	8,807,171	-	8,807,171
	16,536,691	-	16,536,691
	<u>20,184,646</u>	<u>-</u>	<u>20,184,646</u>
30 June 2024			
Current (not past due)	2,600,942	-	2,600,942
1 to 30 days past due	1,927,123	-	1,927,123
31 to 60 days past due	1,518,684	-	1,518,684
61 to 90 days past due	1,762,792	-	1,762,792
More than 90 days past due	13,889,305	-	13,889,305
	19,097,904	-	19,097,904
	<u>21,698,846</u>	<u>-</u>	<u>21,698,846</u>



## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 14. TRADE AND OTHER RECEIVABLES – (Continued)

- (g) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses and are calculated based on the common credit risk characteristics - type of product sold.

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

During this process, the probability of non-payment by the trade receivables is adjusted by forwardlooking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The Group uses roll rate method to measure the expected credit loss of trade receivables and has identified the gross domestic product rate as the key macroeconomic factors. 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 collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

- (h) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group and of the Company are summarised in the table below:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Maximum exposure	23,895,041	19,391,690	20,184,646	21,698,846
Collateral obtained	(1,427,614)	(3,017,013)	-	-
Net exposure to credit risk	<u>22,467,427</u>	<u>16,374,677</u>	<u>20,184,646</u>	<u>21,698,846</u>

During the financial period, the Group and the Company did not renegotiate the terms of any trade receivables.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 14. TRADE AND OTHER RECEIVABLES – (Continued)

(i) Movements in the impairment allowance for trade receivables of the Group are as follows:

Group	Lifetime allowance RM	Credit impaired RM	Total RM
31 December 2025			
Balance as at 1 July 2024	666,007	17,762	683,769
Charge during the financial period	464,005	-	464,005
Balance as at 31 December 2025	<u>1,130,012</u>	<u>17,762</u>	<u>1,147,774</u>
30 June 2024			
Balance as at 1 July 2023	812,140	17,762	829,902
Reversal during the financial year	(146,133)	-	(146,133)
Balance as at 30 June 2024	<u>666,007</u>	<u>17,762</u>	<u>683,769</u>

Credit impaired refers to individually determined debtors who are more than twelve (12) months past due and in significant financial difficulties as at the end of the reporting period.

(j) Impairment for other receivables, deposits and amount owing by a subsidiary is recognised based on the general approach within MFRS 9 Financial Instruments using the forward-looking expected credit loss model. The Group has identified the lending interest rate as the key macroeconomic factors. 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 expected credit losses along with gross interest income are recognised. 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 and the Company assess 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.

The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The Group and the Company consider both quantitative and qualitative information that are reasonable and supportable, including historical experience and observable forward-looking information without undue cost or effort.

The probability of non-payment by other receivables and a subsidiary is adjusted by forward-looking information and multiplied by the amount of the expected credit loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables, deposits and amount owing by a subsidiary.

(k) No expected credit loss is recognised arising from other receivables, deposits and amount owing by a subsidiary as it is negligible.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 14. TRADE AND OTHER RECEIVABLES – (Continued)

- (i) The credit risk concentration profile of the trade receivables at the end of the reporting period are as follows:

Group	31.12.2025		30.6.2024	
	RM	% of total	RM	% of total
By country				
Malaysia	16,623,629	70%	12,906,210	67%
Vietnam	2,808,081	12%	3,894,066	20%
India	241,172	1%	183,927	1%
Indonesia	568,293	2%	494,851	3%
Singapore	3,283,676	14%	3,814	0%
Others	370,190	1%	1,908,822	9%
	<u>23,895,041</u>	<u>100%</u>	<u>19,391,690</u>	<u>100%</u>
Company				
By country				
Malaysia	<u>20,184,646</u>	<u>100%</u>	<u>21,698,846</u>	<u>100%</u>

At the end of the reporting period, approximately:

- (i) Forty-three percent (43%) and hundred percent (100%) (2024: 83% and 100%) of the trade receivables of the Group and of the Company were due from five (5) major customers and one (1) major customer respectively.
- (ii) None of the trade and other receivables of the Group were due from related parties whilst all of the trade receivables of the Company were balance with a subsidiary.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 15. CASH AND BANK BALANCES

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Cash and bank balances	22,990,589	18,030,926	1,743,204	287,252
Deposits with licensed banks	646,969	624,714	-	-
Total cash and bank balances, representing cash and cash equivalents as reported in statements of cash flows	<u>23,637,558</u>	<u>18,655,640</u>	<u>1,743,204</u>	<u>287,252</u>

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) During the financial period, deposits with a licensed bank of the Group with a carrying amount of RM646,969 (2024: RM624,714) are subject to a fixed weighted average effective interest rate of 2.30% (2024: 2.20%).
- (c) Deposits with licensed banks of a subsidiary amounting to RM649,969 have been pledged as security for loan facilities granted to a subsidiary as disclosed in Note 17.
- (d) Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments is not affected by changes in interest rates.
- (e) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Ringgit Malaysia	9,981,274	4,662,867	1,743,204	287,252
US Dollar	7,481,410	13,992,773	-	-
Singapore Dollar	6,174,874	-	-	-
	<u>23,637,558</u>	<u>18,655,640</u>	<u>1,743,204</u>	<u>287,252</u>

- (f) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	Group	
	31.12.2025 RM	30.6.2024 RM
Effects of 3% (2024: 3%) changes to RM against foreign currency		
Profit after taxation and equity		
- USD/RM	±170,576	±319,035
- SGD/RM	<u>±140,787</u>	<u>-</u>

- (g) No expected credit loss is recognised arising from the cash and bank balances because the probability of default was negligible.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 16. SHARE CAPITAL

	Group and Company			
	31.12.2025		30.6.2024	
	Number of shares	RM	Number of shares	RM
Issued and fully paid-up ordinary shares with no par value:				
Balance as at 1 July 2024/2023	1,073,490,940	171,418,037	745,365,940	102,511,787
Ordinary shares issued pursuant to:				
- acquisition of a subsidiary	134,831,460	28,988,764	-	-
- acquisition of an associate	-	-	328,125,000	68,906,250
Balance as at 31 December/30 June	<u>1,208,322,400</u>	<u>200,406,801</u>	<u>1,073,490,940</u>	<u>171,418,037</u>

- (a) On 14 January 2025, the issued and fully paid-up ordinary shares of the Company was increased from 1,073,490,940 to 1,208,322,400 by way of issuance of 134,831,460 new ordinary shares of RM0.215 each totalling RM28,988,764 to offset against acquisition of additional shares in a subsidiary as disclosed in Note 9(h) to the financial statements.

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

- (b) On 13 September 2023, the issued and fully paid-up ordinary shares of the Company was increased from 745,365,940 to 1,073,490,940 by way of issuance of 328,125,000 new ordinary shares totalling RM68,906,250 to offset against acquisition of additional shares in an associate.
- (c) The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 17. BORROWINGS

	Group		Company	
	31.12.2025 RM	30.6.2024 RM Restated	31.12.2025 RM	30.6.2024 RM
<b>Current liabilities</b>				
Trust receipts	788,649	-	-	-
Term loan	80,902	76,770	-	-
Financial guarantee contracts	-	-	8,535	984,531
	<u>869,551</u>	<u>76,770</u>	<u>8,535</u>	<u>984,531</u>
<b>Non-current liabilities</b>				
Term loan	101,470	225,435	-	-
	<u>971,021</u>	<u>302,205</u>	<u>8,535</u>	<u>984,531</u>
<b>Total borrowings</b>				
Trust receipts	788,649	-	-	-
Term loan	182,372	302,205	-	-
Financial guarantee contracts	-	-	8,535	984,531
	<u>971,021</u>	<u>302,205</u>	<u>8,535</u>	<u>984,531</u>

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) Borrowings are denominated in RM.
- (c) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:
- the amount of the loss allowance; and
  - the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.
- (d) Term loan of the Group is subject to fixed interest rate of 3.50% (2024: 3.50%) per annum.
- (e) The trust receipts, term loan and bank overdraft of the Group are secured by the following:
- Corporate guarantees by the Company;
  - Deposits with licensed bank of a subsidiary as disclosed in Note 15(c).
- There was no utilisation of bank overdraft granted to the Group as at 31 December 2025 and 30 June 2024.
- (f) Sensitivity analysis for fixed rate borrowing at the end of the reporting period is not presented as fixed rate instrument is not affected by changes in interest rate.
- (g) Fair value of the borrowings of the Group is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial period.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 17. BORROWINGS – (Continued)

- (h) Borrowing that is not carried at fair value and whose carrying amount is reasonable approximation of fair value is as follows:

	31.12.2025		30.6.2024	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group Term loan (fixed rate)	182,372	172,443	302,205	281,326

Fair value of the borrowing is estimated by discounting future contracted cash flows at the current market interest rate available to the Group for similar financial instruments.

- (i) The table below summarises the maturity profile of the borrowings 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 31 December 2025				
Group Financial liabilities Borrowings	874,773	103,919	-	978,692
Company Financial liabilities Borrowings	192,647	-	-	192,647
As at 30 June 2024				
Group Financial liabilities Borrowings	86,124	236,763	-	322,887
Company Financial liabilities Borrowings	7,315,858	-	-	7,315,858

- (j) Reconciliation of liabilities arising from financing activities:

	Term loan	
	31.12.2025 RM	30.6.2024 RM
Group		
Balance as at 1 July 2024/2023	302,205	376,339
Cash flows	(119,833)	(74,134)
Balance as at 31 December/30 June	182,372	302,205

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 18. DEFERRED TAX

The deferred tax liabilities and assets are made up of the following:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
At the beginning of financial period/year	(1,204,099)	(1,225,337)	(461,545)	(867,497)
Impact of initial application of MFRS 17 (financial guarantee contracts)	-	-	-	257,448
Restated balance at the beginning of the financial period/year	(1,204,099)	(1,225,337)	(461,545)	(610,049)
Recognised in profit or loss (Note 24)	(1,029,866)	21,238	(961,010)	148,504
At the end of financial period/year	(2,233,965)	(1,204,099)	(1,422,555)	(461,545)
Presenting after appropriate offsetting:				
Deferred tax assets	414,196	493,198	44,585	341,870
Deferred tax liabilities	(2,648,161)	(1,697,297)	(1,467,140)	(803,415)
	(2,233,965)	(1,204,099)	(1,422,555)	(461,545)

There is in respect of estimated deferred tax assets and (liabilities) arising from temporary differences as follows:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Deferred tax assets:				
Provision and other temporary differences:				
- Provision for financial guarantee contracts	247,058	-	44,323	236,287
- Unused tax losses and provision	-	493,198	-	105,583
Other temporary differences	-	-	262	-
Property, plant and equipment	8,753	-	-	-
Unabsorbed capital allowance	158,385	-	-	-
	414,196	493,198	44,585	341,870
Deferred tax liabilities:				
Provision and other temporary differences:				
- Property, plant and equipment	(2,332,171)	(1,123,091)	(1,467,140)	(727,962)
- Other temporary differences	(315,990)	(574,206)	-	(75,453)
	(2,648,161)	(1,697,297)	(1,467,140)	(803,415)

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 19. TRADE AND OTHER PAYABLES

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM Restated
<b>Trade payables</b>				
Third parties	6,120,780	3,476,665	1,189,725	729,556
Related parties	33,634	-	-	-
Amount owing to a subsidiary	-	-	167,724	26,039
	<u>6,154,414</u>	<u>3,476,665</u>	<u>1,357,449</u>	<u>755,595</u>
<b>Other payables</b>				
Amount owing to subsidiaries	-	-	28,232,946	24,902,488
Third parties	1,739,744	1,038,215	377,905	207,199
Deposit received	253,306	-	-	-
Accruals	2,241,004	1,154,182	561,407	244,681
	<u>4,234,054</u>	<u>2,192,397</u>	<u>29,172,258</u>	<u>25,354,368</u>
	<u>10,388,468</u>	<u>5,669,062</u>	<u>30,529,707</u>	<u>26,109,963</u>

- (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 and to the Company range from 30 to 90 days (2024: 30 to 90 days) from date of invoice.
- (c) Trade amount owing to a subsidiary is on normal credit terms granted to the Company. The non-trade amount owing to a subsidiary is unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents.
- (d) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM Restated
Ringgit Malaysia	8,722,006	5,263,130	30,411,535	26,078,904
Singapore Dollar	882,823	-	-	-
US Dollar	783,639	405,932	118,172	31,059
	<u>10,388,468</u>	<u>5,669,062</u>	<u>30,529,707</u>	<u>26,109,963</u>

- (e) The maturity profile of the trade and other payables at the end of each reporting period based on contractual undiscounted repayment obligations is payable on demand or within one (1) year.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 19. TRADE AND OTHER PAYABLES – (Continued)

- (f) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant is as follows:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Effects of 3% (2024:3%) changes to RM against foreign currency				
Profit after tax and equity				
- SGD/RM	±20,128	-	-	-
- USD/RM	±17,867	±9,255	-	±708

#### 20. REVENUE

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Sales of goods	109,699,264	57,169,751	40,263,925	19,254,511
Services rendered	-	-	2,226,955	2,828,753
Revenue from contracts with customers	109,699,264	57,169,751	42,490,880	22,083,264

Disaggregation of revenue from contracts with customers of the Group has been presented in the operating segments, Note 4 to the financial statements, which has been presented based on geographical location from which the sales transactions originated.

The revenue of the Company is derived entirely in Malaysia.

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

Revenue from services rendered is recognised over time as income when the customer receives and consumes the benefits.

There is no right of return and warranty provided to the customers on the sale of goods.

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

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 21. COST OF SALES

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Cost of inventories sold	55,604,573	28,309,623	23,974,270	12,937,955
Direct overhead	13,380,164	5,195,123	3,445,526	2,569,491
Others	5,876,854	4,526,646	5,789,081	2,786,961
	<u>74,861,591</u>	<u>38,031,392</u>	<u>33,208,877</u>	<u>18,294,407</u>

#### 22. FINANCE COSTS

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Interest expense on:				
- bank charges	-	82,312	-	-
- term loan	9,353	11,990	-	-
- lease liabilities	238,645	58,007	10,373	18,795
- trust receipts	3,688	-	-	-
	<u>251,686</u>	<u>152,309</u>	<u>10,373</u>	<u>18,795</u>

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### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 23. PROFIT BEFORE TAX

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

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
After charging:				
Auditor's remuneration:				
(a) statutory audit fees payable to auditor of the Company				
- current financial period/year	333,750	219,500	172,500	95,000
(b) Other audit services	80,000	-	80,000	-
(c) Non audit services	8,000	8,500	8,000	8,500
(d) Statutory audit fees payable to affiliates of auditor of the Company	39,307	-	-	-
Management fees paid to a subsidiary	-	-	757,159	504,773
Loss on disposal of intangible assets	54,910	-	-	-
Realised loss on foreign exchange	1,297,739	347,531	15,172	347,313
Unrealised loss on foreign exchange	1,385,243	-	-	-
Fair value loss on other investment	24,000	168,000	-	-
And crediting:				
Unrealised gain from foreign exchange	-	1,178,897	-	-
Gain upon deemed disposal	-	23,437,500	-	-
Gains on disposals of:				
- property, plant and equipment	120,002	81,400	-	1,000
- right-of-use assets	-	778	-	-
Interest income	76,971	58,203	-	6,685

- (a) Interest income is recognised as it accrues, using the effective interest method.
- (b) Dividend income is recognised when the shareholder's right to receive payment is established.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 24. TAX EXPENSE

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Current income tax				
- Malaysia income tax	566,205	2,013,845	18,066	670,412
- Foreign income tax	483,328	-	-	-
Deferred tax	1,029,866	(21,238)	961,010	(148,504)
	<u>2,079,399</u>	<u>1,992,607</u>	<u>979,076</u>	<u>521,908</u>
Current tax expense:				
For the current financial period/year	1,945,729	2,304,020	798,291	1,101,399
Over provision in previous financial year	(896,196)	(290,175)	(780,225)	(430,987)
	<u>1,049,533</u>	<u>2,013,845</u>	<u>18,066</u>	<u>670,412</u>
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	(556,091)	260,282	(129,241)	(151,856)
(Over)/Under provision in previous financial year	1,585,957	(281,520)	1,090,251	3,352
	<u>1,029,866</u>	<u>(21,238)</u>	<u>961,010</u>	<u>(148,504)</u>
Income tax expense recognised in profit or loss	<u>2,079,399</u>	<u>1,992,607</u>	<u>979,076</u>	<u>521,908</u>

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

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 24. TAX EXPENSE – (Continued)

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

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Profit before tax	<u>35,864,331</u>	<u>37,844,018</u>	<u>3,440,229</u>	<u>387,481</u>
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	8,607,439	9,082,563	825,655	92,995
Tax effects in respect of:				
Different tax rate of a subsidiary operating in another jurisdictions	255,329	-	-	-
Non-allowable expenses	704,225	1,289,733	77,634	869,416
Non-taxable income	(8,179,117)	(7,807,994)	(234,239)	(12,868)
Utilisation of previously unrecognised deferred tax assets	1,762	-	-	-
Over provision of tax expense in prior years	(896,196)	(290,175)	(780,225)	(430,987)
Under/(Over) provision of deferred tax in prior years	<u>1,585,957</u>	<u>(281,520)</u>	<u>1,090,251</u>	<u>3,352</u>
	<u>2,079,399</u>	<u>1,992,607</u>	<u>979,076</u>	<u>521,908</u>

#### 25. EARNINGS PER SHARE

	Group	
	31.12.2025	30.6.2024
Profit attributable to equity holders of the parent (RM)	<u>33,527,526</u>	<u>35,865,234</u>
Weighted average number of ordinary shares in issue	<u>1,159,940,255</u>	<u>1,068,097,104</u>
Earnings per share (sen)		
- Basic	2.89	3.36
- Diluted	<u>2.89</u>	<u>3.36</u>

Basic earnings per ordinary share for the financial period is calculated by dividing the profit for the financial period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial period/year.

The Group has not issued any dilutive potential shares and hence, the diluted earnings per share equals to the basic earnings per share.

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### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 26. DIVIDENDS

	Group and Company			
	31.12.2025		30.6.2024	
	Dividend per share RM	Amount of single tier dividend RM	Dividend per share RM	Amount of single tier dividend RM
Final single-tier dividend in respect of the financial period/year ended 31 December 2025 / 30 June 2024	-	-	0.05	536,744

#### 27. EMPLOYEE BENEFITS

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Operating expenses				
Salaries, bonuses and allowances	19,787,313	9,987,385	5,159,556	2,761,812
Contributions to defined contribution plan	1,852,275	682,669	534,742	262,968
Other benefits	600,235	235,681	178,470	113,662
	<u>22,239,823</u>	<u>10,905,735</u>	<u>5,872,768</u>	<u>3,138,442</u>
Capitalised as development costs				
Salaries, bonuses and allowances	2,269,271	1,449,418	2,269,271	1,449,418
Contributions to defined contribution plan	262,048	176,931	262,048	176,931
Other benefits	17,834	27,241	17,834	27,241
	<u>2,549,153</u>	<u>1,653,590</u>	<u>2,549,153</u>	<u>1,653,590</u>
	<u>24,788,976</u>	<u>12,559,325</u>	<u>8,421,921</u>	<u>4,792,032</u>

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 28. RELATED PARTY 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 parties.

Related parties of the Group include:

- (i) Direct subsidiaries as disclosed in Note 9 to the financial statements; and
- (ii) Direct associate as disclosed in Note 10 to the financial statements.

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

	Company	
	31.12.2025 RM	30.6.2024 RM
Sales of goods to a subsidiary	(40,263,881)	(19,254,511)
Purchases of goods from a subsidiary	2,962,934	1,256,080
Royalty fees receivable from a subsidiary	(32,935)	(19,340)
Software fees receivable from a subsidiary	(1,779,020)	(2,509,413)
Technical fees receivable from a subsidiary	(450,000)	(300,000)
Management fees paid to a subsidiary	757,159	504,773
Lease payable to a subsidiary	671,580	447,720
Quit rent and assessment payable to a subsidiary	-	23,220

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

##### (c) Compensation of key management personnel

Key management personnel are those persons who have the authorities and responsibilities for planning, directing and controlling the activities of the Group or of the Company either directly or indirectly. This includes any Director, whether executive or otherwise, of the Group and of the Company.

The remuneration of Directors of the Group and of the Company during the financial period/year was as follows:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Short term employee benefits	3,725,680	2,182,084	817,030	290,700
Contributions to defined contribution plan	341,698	193,997	97,800	38,484
Other remuneration	535,258	423,133	535,258	423,133
	<u>4,602,636</u>	<u>2,799,214</u>	<u>1,450,088</u>	<u>752,317</u>

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group amounted to RM73,780 (2024: RM90,588).

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 29. CAPITAL AND FINANCIAL RISK MANAGEMENT

##### (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 ratios. The overall strategy of the Group remains unchanged from that in 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 period/year ended 31 December 2025 and 30 June 2024.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company include within net debt, borrowings, lease liabilities, less cash and bank balances. Borrowings comprise term loan and trust receipts. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	31.12.2025 RM	30.6.2024 RM Restated	31.12.2025 RM	30.6.2024 RM
Borrowings	971,021	302,205	8,535	984,531
Lease liabilities	6,567,676	1,095,920	74,510	308,220
Total liabilities	7,538,697	1,398,125	83,045	1,292,751
Less: Cash and bank balances	(23,637,558)	(18,655,640)	(1,743,204)	(287,252)
Net (surplus)/debt	(16,098,861)	(17,257,515)	(1,660,159)	1,005,499
Total capital	301,402,947	239,230,906	218,097,933	186,648,016
Net (surplus)/debt	(16,098,861)	(17,257,515)	(1,660,159)	1,005,499
Total	285,304,086	221,973,391	216,437,774	187,653,515
Gearing ratio	N/A	N/A	N/A	0.54%

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital of the Company.

The Group has complied with these requirements for the financial period ended 31 December 2025.

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



## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 29. CAPITAL AND FINANCIAL RISK MANAGEMENT – (Continued)

##### (b) Financial risk management

The overall financial risk management objective of the Group is to optimise its shareholders' value and not to engage in speculative transactions.

The Group is exposed mainly to foreign currency risk, interest rate risk, credit risk, liquidity and cash flow risk and price risk. Information on the management of the related exposures is detailed below:

##### (i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar ("USD") and Singapore Dollar ("SGD"). Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group also holds cash and bank balances denominated in foreign currency for working capital purposes.

The policy of the Group is to minimise the exposure in foreign currency risk by matching foreign currency income against foreign currency cost. The Group also attempts to limit its exposure for all committed transactions by entering into foreign currency forward contracts. As such, the fluctuations in foreign currencies are not expected to have a significant financial impact to the Group.

The Group maintains a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The foreign currency exposure profile and sensitivity analysis of foreign currency risk have been disclosed in Notes 14, 15, and 19 to the financial statements.

##### (ii) 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 will fluctuate because of changes in market interest rates. The exposure to market risk of the Group and of the Company for changes in interest rates relates primarily to the lease liabilities, borrowings and deposits with a licensed bank of the Group and of the Company.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 6, 15 and 17 to the financial statements.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 29. CAPITAL AND FINANCIAL RISK MANAGEMENT – (Continued)

##### (b) Financial risk management – (continued)

##### (iii) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with a licensed bank. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Group.

##### *Exposure to credit risk*

At the end of each reporting period, the maximum exposure to credit risk of the Group and of the Company is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit risk concentration for trade and other receivables is disclosed in Note 14 to the financial statements.

##### (iv) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the 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.

The analysis of financial instruments by remaining contractual maturities have been disclosed in Notes 6, 17 and 19 to the financial statements.

##### (v) Price risk

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

The Group is exposed to equity price risks arising from investment held by the Group. The investment comprises of quoted shares in Malaysia and is classified as financial asset designated at fair value through profit or loss.

During the financial period, the maximum exposure of the Group to market risk is represented by the total carrying amount of the quoted investment recognised in the statements of financial position, which amounted to RM1,608,000 (2024: RM1,632,000). There has been no change to the exposure of the Group to market risk or the manner in which the risk is managed and measured.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 30. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

##### (a) Share exchange with Elridge Energy Holdings Berhad (“EEHB”)

On 31 January 2024, the Company entered into a conditional share sale agreement (“SSA”) on the proposed share exchange of its 25% equity in Bio Eneco Sdn. Bhd. (“BESB”) for the 1,750,000 ordinary shares in EEHB representing 25% equity interest in EEHB.

The transaction had been completed on 10 July 2024. Consequently, BESB ceased to be an associate of the Group and EEHB became an associate of the Group.

Details of the share exchange are disclosed in Note 10 to the financial statements.

Information regarding credit risk concentration for trade and other receivables is disclosed in Note 14 to the financial statements.

##### (b) Diversification into design, manufacture and installation of signs and advertising displays, and interior fit-out services.

On 12 August 2024, the Company proposed to diversify its business to include design, manufacture, and installation of signage and advertising displays, as well as interior fit-out services. The proposal has been approved by the shareholders of the Company at the Extraordinary General Meeting held on 27 November 2024.

##### (c) Acquisition of TES Production & Projects Pte. Ltd. (“TES”)

On 14 January 2025, the Company completed the acquisition of 100% equity interest in TES from Calida Group Pte. Ltd. for a total consideration of RM28,988,764. The purchase consideration was satisfied through issuance of 134,831,460 new ordinary shares in the Company.

Details of the acquisition of subsidiary are disclosed in Note 9(h) to the financial statements.

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 31. COMPARATIVE FIGURES

- a) The Company has changed its financial year end from 30 June to 31 December. Consequently, the comparative for the statement of comprehensive income, changes in equity and cash flows as well as certain comparatives in the notes to the financial statements of the Company for the period of 18 months from 1 July 2024 to 31 December 2025, are not comparable to those of the previous 12 months ended 30 June 2024. The next financial statements will be for a period of 12 months commencing from 1 January 2026.
- b) The following comparative amount as at 30 June 2024 and 1 July 2023 has been reclassified to conform with current year's presentation:

	As previously reported RM	Reclassification RM	As restated RM
<u>The Group</u>			
<u>Statements of Financial Position</u>			
<u>As at 1 July 2023</u>			
Current assets			
Cash and bank balances	25,230,040	(7,446,852)	17,783,188
Non-current liabilities			
Borrowings	7,268,966	(6,966,760)	302,206
Current liabilities			
Borrowings	554,225	(480,092)	74,133
<u>Effects on Statements of Cash Flows:</u>			
<u>Cash flows from financing activities</u>			
Repayment of flexi loan	(480,092)	480,092	-
Cash and cash equivalents at the beginning of the financial year	25,230,040	(7,446,852)	17,783,188
Cash and cash equivalents at the end of the financial year	25,622,400	(6,966,760)	18,655,640
<u>Statements of Financial Position</u>			
<u>As at 30 June 2024</u>			
Current assets			
Cash and bank balances	25,622,400	(6,966,760)	18,655,640
Non-current liabilities			
Borrowings	6,696,018	(6,470,583)	225,435
Current liabilities			
Borrowings	572,947	(496,177)	76,770

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## MIKRO MSC BERHAD (Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS – (Continued)

#### 31. COMPARATIVE FIGURE – (Continued)

- b) The following comparative amount as at 30 June 2024 and 1 July 2023 has been reclassified to conform with current year's presentation: – (continued)

	As previously reported RM	Reclassification RM	As restated RM
<u>The Company</u>			
<u>Statements of Financial Position</u>			
<u>As at 1 July 2023</u>			
Non-current asset			
Investment in subsidiaries	51,765,293	17,020,833	68,786,126
Current liabilities			
Trade and other payables	8,489,870	17,020,833	25,510,703
<u>Statements of Financial Position</u>			
<u>As at 30 June 2024</u>			
Non-current asset			
Investment in subsidiaries	51,732,207	17,020,833	68,753,040
Current liabilities			
Trade and other payables	9,089,130	17,020,833	26,109,963

#### 32. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Director on 14 April 2026.



## LIST OF ALL PROPERTIES HELD AS AT 31 DECEMBER 2025

Location/ Address	Description	Current Use	Tenure and Approximate Age of Building (Years)	Land Area (sq.ft.)	Net Book value	Revaluation Value	Date of last revaluation / Date of acquisition
No. 3, Jalan Anggerik Mokara 31/48, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor	A Single (1)-Storey Warehouse, With An Annexed Three (3)-Storey Office Block, A Guard House And A Refuse Chamber	Plant and Office	Freehold, 18 years	43,562 sq ft	RM14,990,412	16,000,000	31st December 2020

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## ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

Issued Share Capital : 1,208,322,400  
 Class of Shares : Ordinary Shares  
 Voting Rights : One Vote Per Ordinary Share  
 No. of Shareholders : 2,844

### DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MARCH 2026

Category	No. of Shareholders	No. of Shares	% of Shareholding
Less than 100	226	8,438	0.00
100 - 1,000	671	226,561	0.02
1,001 - 10,000	760	4,429,400	0.37
10,001 - 100,000	939	33,659,865	2.79
100,001 to less than 5% of issued shares	243	564,904,987	46.75
5% and above of issued shares	5	605,093,149	50.07
<b>Total</b>	<b>2,844</b>	<b>1,208,322,400</b>	<b>100.00</b>

### LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2026

No.	Names	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Yeo Hock Cheong	234,814,493	19.43		
2	Cartaban Nominees (Tempatan) Sdn Bhd - RHB Trustees Berhad for Kenanga Islamic Return Fund	157,518,106	13.04	-	-
3	Yim Yuen Wah	136,373,900	11.29	-	-
4	Calida Group Pte. Ltd.	134,831,460	11.16		
5	Lim Seng Gee	-	-	134,831,460 <sup>(a)</sup>	11.16

(a) Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his interest in Calida Group Pte. Ltd.

### DIRECTORS' INTERESTS IN SHARES AS 31 MARCH 2026

No.	Names	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Dato' Seri Ir. Haji Mohamad Zulkefly Bin Sulaiman	-	-	-	-
2	Yim Yuen Wah	136,373,900	11.29	-	-
3	Syed Mohd Hafiz Bin Syed Mohd	-	-	-	-
4	Nor Azlan Bin Zainal	-	-	-	-
5	Yang Shing Sing	-	-	-	-
6	Ts. Wan Adli Ridzwan Bin Wan Hassan	3,000	0.00	-	-
7	Wang Hong	-	-	-	-
8	Sindi, Mohammed Nabil M	-	-	-	-

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## ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

### 30 LARGEST SHAREHOLDERS AS AT 31 MARCH 2026

NO.	SHAREHOLDERS	NO. OF SHARES	%
1	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KENANGA ISLAMIC ABSOLUTE RETURN FUND	157,518,106	13.04
2	YIM YUEN WAH	136,373,900	11.29
3	MALACCA EQUITY NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CALIDA GROUP PTE. LTD.	134,831,460	11.16
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD (CLIENTS' ACCOUNT)	114,138,460	9.45
5	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO HOCK CHEONG	62,231,223	5.15
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (2)	58,000,000	4.80
7	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO HOCK CHEONG (MGN - YHC0003M)	50,000,000	4.14
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO HOCK CHEONG (3030080)	43,000,000	3.56
9	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEO HOCK CHEONG (MY4769)	35,000,000	2.90
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	34,498,970	2.86
11	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW KOK YEW (MY3041)	34,487,400	2.85
12	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	29,880,100	2.47
13	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEO HOCK CHEONG	25,500,000	2.11
14	NEF PRESTIGE SDN BHD	21,664,380	1.79
15	SINAR AMANDA SDN BHD	21,567,600	1.78
16	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO HOCK CHEONG	19,083,270	1.58
17	CARTABAN NOMINEES (TEMPATAN) SDN BHD KENANGA INVESTORS BERHAD FOR MALAYSIAN RUBBER COUNCIL	17,262,570	1.43
18	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NUM SIEW YOKE	10,225,000	0.85
19	NUM SIEW YOKE	8,065,700	0.67
20	PUBLIC INVEST NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	7,474,200	0.62
21	TAN EDIN	7,050,000	0.58

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## ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

NO.	SHAREHOLDERS	NO. OF SHARES	%
22	PAU YU TIONG	5,757,500	0.48
23	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAM SIEW MEE (MF00434)	5,700,000	0.47
24	FJCAP SDN BHD	4,987,300	0.41
25	CAO, YU	4,740,200	0.39
26	AZLIN ROMLEZ BIN TASLIM	3,950,000	0.33
27	TAN YAU LAM	3,862,500	0.32
28	ANDRIATY BINTI ABDUL RAHMAN	3,804,500	0.31
29	ASTANA PRISMA SDN BHD	3,275,500	0.27
30	LEE SANDOR	2,820,000	0.23
	<b>TOTAL</b>	<b>1,066,749,839</b>	<b>88.28</b>

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## NOTICE OF 19TH ANNUAL GENERAL MEETING 2026



Registration No.: 200601018418 (738171-M)

(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting ("19th AGM") of Mikro MSC Berhad ("MMSC" or "Company") will be held at 1st Floor, Danau 3-4, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Friday, 29 May 2026 at 9.30 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

### AGENDA

#### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended **Please refer to 31 December 2025** together with Reports of the Directors' and the **Explanatory Note 1** Auditors' thereon.
2. To approve the Directors' Fees and Benefits Payable to the Non-Executive **Ordinary Resolution 1** Directors of the Company and its subsidiaries amounting to RM600,000.00 until the next Annual General Meeting of the Company.  
  
To re-elect Dato' Seri Ir. Haji Mohamad Zulkefly Bin Sulaiman who retires **Ordinary Resolution 2**
3. pursuant to Clause 90 of the Company's Constitution and being eligible has offered himself for re-election.  
  
To re-elect the following Directors, who are retiring pursuant to Clause 83
4. of the Constitution of the Company and being eligible have offered themselves for re-election:
  - i. Syed Mohd Hafiz Bin Syed Mohd **Ordinary Resolution 3**
  - ii. Yang Shing Sing **Ordinary Resolution 4**
5. To re-appoint Messrs HLB Ler Lum Chew PLT as Auditors of the **Ordinary Resolution 5** Company and to authorise the Directors to fix their remuneration.

#### AS SPECIAL BUSINESS

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

6. **AUTHORITY TO ALLOT AND ISSUE SHARES BY THE DIRECTORS Ordinary Resolution 6 AND WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO THE COMPANIES ACT 2016**

"THAT pursuant to Section 75 and Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

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THAT pursuant to Section 85 of the Companies Act 2016 approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company's shares arising from any issuance of new Company's shares pursuant to Section 75 and Section 76 of the Companies Act 2016.

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. To transact any other business that may be transacted at the 19th AGM of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

**CHIN WAI YI (MAICSA 7069783) (SSM PC NO. 202008004409)**  
Company Secretary

Kuala Lumpur  
Dated : 28 April 2026

### Explanatory Notes:

#### 1. Item 1 of the Agenda

This item is meant for discussion only as the provisions of Section 340 of the Companies Act 2016, it does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

#### 2. Items 2, 3, 4(i) and 4(ii) of the Agenda

The Nomination Committee ("NC") have considered the performance and contribution of each of the retiring Directors. Based on the results of the Board Evaluation conducted for the financial period ended 31 December 2025, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

Based on the recommendation of the NC, the Board supports the re-election of the Directors based on the following justifications:

Dato' Seri Ir. : Dato' Seri Ir. Haji Mohamad Zulkefly Bin Sulaiman has exercised his  
Haji Mohamad due care and carried out his professional duties proficiently during his  
Zulkefly Bin tenure as Director of the Company.  
Sulaiman

Dato' Seri Ir. Haji Mohamad Zulkefly Bin Sulaiman fulfils the requirements of independence set out in Listing Requirements of Bursa

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## NOTICE OF 19TH ANNUAL GENERAL MEETING 2026

Securities. He remains objective and independent in expressing his view and participating in Board's deliberations and decision-making process.

**Syed Mohd Hafiz Bin Syed Mohd** : Syed Mohd Hafiz Bin Syed Mohd has exercised his due care and carried out his professional duties proficiently during his tenure as the Executive Director/Chief Executive Director of the Company. He takes a hands-on approach with all things concerning business development, group strategy, human resource and corporate affairs.

**Yang Shing Sing** : Yang Shing Sing has extensive experience in corporate relationship management, business consultancy and operational strategizing. The Board believes her expertise is hugely beneficial to the Company. She remains objective in expressing her views and participating in Board's deliberations and decision-making process.

Yang Shing Sing has exercised her due care and carried out her professional duties proficiently during her tenure as a Non-Independent Non-Executive Director of the Company.

### 3. Item 6 of the Agenda

The Company had, during its Eighteenth Annual General Meeting held on 27 November 2024, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 75 and Section 76 of the Companies Act 2016. The Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 6 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 75 and 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued shares/ total number of voting shares of the Company (excluding treasury shares) capital for such purpose as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s) and/or working capital.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

### Notes:

1. A member of the Company who is entitled to attend, speak and vote at this 19th AGM may appoint proxy(ies) to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.
2. Where a member appoints more than one (1) proxy to attend and vote at the same 19th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.

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## NOTICE OF 19TH ANNUAL GENERAL MEETING 2026

4. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
6. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 19th AGM or at any adjournment thereof, as follows:

### a) In hard copy form

The original instrument appointing a proxy ("Proxy Form") must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.

### b) By electronic means

The Proxy Form can also be lodged electronically via online lodgement facility, please login to the link website at <https://srm.vistra.com> and select "e-Services" to login.

7. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
8. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 May 2026 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 19th AGM.
9. Any alteration in the Proxy Form must be initialed.
10. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of 19th AGM will be put to the vote by poll.

### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 19th AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 19th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 19th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty

Number of Shares Held	
CDS Account No.	

I/We, \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

contact no. \_\_\_\_\_ email address \_\_\_\_\_ being a member / members of Mikro MSC Berhad ("Company") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company ("19th AGM") which will held at 1st Floor, Danau 3-4, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Friday, 29 May 2026 at 9.30 a.m., or at any adjournment thereof.

## IMPORTANT NOTE:

Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 19th AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/ Passport No.	Email Address & Phone Number	Proportion of shareholding to be represented
<b>(a)</b>	<b>Appoint ONE proxy only</b> (Please complete details of proxy below)			
				100%
<b>(b)</b>	<b>Appoint MORE THAN ONE proxy</b> (Please complete details of proxies below)			
Proxy 1				%
Proxy 2				%
				100%
<b>(c)</b>	<b>The Chairman of the 19th AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf</b>			

\*My/our \*proxy/proxies shall vote as follows :-

Please indicate with an "X" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the \*proxy/proxies will vote or abstain for voting at his(her) discretion.

NO.	RESOLUTIONS	FOR		AGAINST	
		PROXY 1	PROXY 2	PROXY 1	PROXY 2
Ordinary Resolution 1	To approve the Directors' Fees and Benefits Payable to the Non-Executive Directors of the Company and its subsidiaries amounting to RM600,000.00 until the next Annual General Meeting of the Company.				
Ordinary Resolution 2	To re-elect Dato' Seri Ir. Haji Mohamad Zulkefly Bin Sulaiman as Director in accordance with Clause 90 of the Constitution of the Company.				
Ordinary Resolution 3	To re-elect Syed Mohd Hafiz Bin Syed Mohd as Director in accordance with Clause 83 of the Constitution of the Company.				
Ordinary Resolution 4	To re-elect Yang Shing Sing as Director in accordance with Clause 83 of the Constitution of the Company.				
Ordinary Resolution 5	To re-appoint Messrs HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
	<b>Special Business</b>				
Ordinary Resolution 6	Authority to allot and issue shares by the Directors and waiver of pre-emptive rights pursuant to the Companies Act 2016.				

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

\_\_\_\_\_  
Signature / Common Seal of Shareholder

Contact No: \_\_\_\_\_

**Notes:**

1. A member of the Company who is entitled to attend, speak and vote at this 19th AGM may appoint proxy(ies) to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.
2. Where a member appoints more than one (1) proxy to attend and vote at the same 19th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
4. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
6. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 19th AGM or at any adjournment thereof, as follows:

**a) In hard copy form**

The original instrument appointing a proxy ("Proxy Form") must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.

**b) By electronic means**

The Proxy Form can also be lodged electronically via online lodgement facility, please login to the link website at <https://srmy.vistra.com> and select "e-Services" to login.

7. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
8. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 May 2026 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 19th AGM.
9. Any alteration in the Proxy Form must be initialed.
10. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of 19th AGM will be put to the vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 19th AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 19th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 19th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty



*If undelivered, please return to :-*

No.3, Jalan Anggerik Mokara 31/48,  
Seksyen 31, Kota Kemuning  
40460 Shah Alam, Selangor Darul Ehsan  
**Tel:** +603-5525-3873  
**Fax:** +603-5525-3863

**AFFIX STAMP HERE**