



Financial Statements

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Directors' Report

For the financial year ended 31 October 2025

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2025.

Principal activities

The principal activity of the Company is investment holdings. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

Financial results

	Group RM	Company RM
Loss for the financial year, net of tax	<u>(10,052,376)</u>	<u>(554,209)</u>
Loss attributable to:		
Owners of the Company	(10,049,311)	(554,209)
Non-controlling interests	<u>(3,065)</u>	<u>-</u>
	<u>(10,052,376)</u>	<u>(554,209)</u>

Dividend

No dividend has been paid, declared or proposed by the Company since the end of previous financial year.

The directors do not recommend the payment of any dividend in respect of the financial year ended 31 October 2025.

Reserves or provisions

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

Issue of shares and debentures

There were no issuance of shares or debentures by the Company during the financial year.

Options granted over unissued shares

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

Directors

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Abd Rahman Bin Mamat
 Ooi Chin Siew
 Chua Lye Hock
 Dato' Dr. Shanmughanathan A/L Vellanthurai
 Zariner Binti Ismail
 Masleena Binti Zaid
 Mary Low Shwee Hoon (Appointed on 17 September 2025)

Directors' Report

For the financial year ended 31 October 2025

Directors (Cont'd)

The names of the directors of the Company's subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report are:

Ooi Chin Siew	
Chua Lye Hock	
Sunit Balasaheb Shete	
Cheah Wai Koon	(Appointed on 22 November 2024; resigned on 4 November 2025)
Yap Chwan Loong	(Appointed on 22 November 2024; resigned on 4 November 2025)

Directors' interest

According to the register of directors' shareholding under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares in the Company			
	At 1.11.2024	Additions	Disposals	At 31.10.2025
Direct interests:				
Tan Sri Abd Rahman Bin Mamat	500,000	-	-	500,000
Ooi Chin Siew	115,898,682	-	-	115,898,682
Chua Lye Hock	123,180,994	-	-	123,180,994
Dato' Dr. Shanmughanathan A/L Vellanthurai	200,000	-	-	200,000
Zariner Binti Ismail	200,000	-	-	200,000
Masleena Binti Zaid	200,000	-	-	200,000
Mary Low Shwee Hoon	-	-	-	-

By virtue of Section 8 of the Companies Act 2016, Ooi Chin Siew and Chua Lye Hock are deemed to be interested in the shares of the subsidiaries during the financial year to the extent the Company has an interest.

Directors' benefits

Since the end of previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or any related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, except as disclosed in Note 21 to the financial statements.

Directors' Report

For the financial year ended 31 October 2025

Directors' benefits (Cont'd)

The details of the remuneration paid to or receivable by the directors of the Group and of the Company in respect of the financial year ended 31 October 2025 are as follows:

	Group RM	Company RM
Fee	272,000	272,000
Salaries, bonuses and other benefits	1,089,500	10,500
Employee Provident Fund	129,480	-
Social Security Cost	2,500	-
Employment Insurance System	286	-
	1,493,766	282,500

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company or any of its subsidiaries during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company or any of its subsidiaries by the directors or past directors of the Company during the financial year.

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

Indemnity and insurance costs for Directors, Officers or Auditors

(a) Directors and Officers

There were neither indemnity given to nor insurance effected for the directors and officers of the Group and of the Company. No payment has been made to indemnify Nexia SSY PLT during the financial year and up to the date of this report.

(b) Auditors

Any indemnity given to or insurance effected for the auditors of the Company is to be made to the extent as permitted under Section 289 of the Companies Act 2016. To the extent permitted by law, the Company has agreed to indemnify its auditor, Nexia SSY PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Nexia SSY PLT during the financial year and up to the date of this report.

Other statutory information

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount to which they might be expected so to realise.

Directors' Report

For the financial year ended 31 October 2025

Other statutory information (Cont'd)

At the date of this report, the directors are not aware of any circumstances:

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

In the opinion of the directors:

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

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Group and of the Company which secures the liability of any other person nor has any contingent liability arisen in the Group and in the Company.

Significant and subsequent events

The details of the significant and subsequent event are disclosed in Note 33 to the financial statements.

Directors' Report

For the financial year ended 31 October 2025

Auditors

- (a) The auditors, Nexia SSY PLT, have indicated their willingness to continue in office.
- (b) The auditors' remuneration of the Group and of the Company for the financial year ended 31 October 2025 are as follows:

	Group RM	Company RM
Auditors' remuneration:		
- statutory audit	110,000	52,000
- other services	10,000	10,000
	<u>120,000</u>	<u>62,000</u>

Signed on behalf of the Board in accordance with a resolution of the Directors dated 13 February 2026.

Chua Lye Hock
Director

Ooi Chin Siew
Director

Statements of Financial Position

As at 31 October 2025

	Note	Group		Company	
		2025 RM	Restated 2024 RM	2025 RM	Restated 2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	19,927,504	10,250,309	-	-
Right-of-use assets	6	2,638,993	1,532,888	-	-
Investment in subsidiaries	7	-	-	17,483,525	17,100,100
Total non-current assets		22,566,497	11,783,197	17,483,525	17,100,100
Current assets					
Inventories	8	8,651,091	8,151,961	-	-
Trade and other receivables	9	20,471,194	18,881,767	12,914,815	12,119,762
Current tax assets		105,662	109,749	113,761	159,490
Fixed deposits with a licensed bank	10	9,000,000	9,000,000	9,000,000	9,000,000
Cash and bank balances	27	9,451,034	18,411,134	195,694	1,916,345
Total current assets		47,678,981	54,554,611	22,224,270	23,195,597
TOTAL ASSETS		70,245,478	66,337,808	39,707,795	40,295,697

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

Statements of Financial Position

As at 31 October 2025

	Note	Group		Company	
		2025 RM	Restated 2024 RM	2025 RM	Restated 2024 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	11	42,610,239	42,610,239	42,610,239	42,610,239
Merger reserve	12	(16,100,000)	(16,100,000)	-	-
Foreign exchange translation reserve	12	(16,065)	-	-	-
Retained earnings/(accumulated losses)	12	16,758,873	26,808,184	(3,070,279)	(2,516,070)
Equity attributable to owners of the Company		43,253,047	53,318,423	39,539,960	40,094,169
Non-controlling interest		47,935	-	-	-
TOTAL EQUITY		43,300,982	53,318,423	39,539,960	40,094,169
Non-current liabilities					
Borrowings	13	9,172,535	4,410,901	-	-
Lease liabilities	14	1,217,830	709,465	-	-
Deferred tax liabilities	15	-	472,200	-	-
Total non-current liabilities		10,390,365	5,592,566	-	-
Current liabilities					
Trade and other payables	16	8,184,838	2,899,925	167,835	201,528
Borrowings	13	7,026,631	4,177,196	-	-
Lease liabilities	14	1,342,662	349,698	-	-
Total current liabilities		16,554,131	7,426,819	167,835	201,528
TOTAL LIABILITIES		26,944,496	13,019,385	167,835	201,528
TOTAL EQUITY AND LIABILITIES		70,245,478	66,337,808	39,707,795	40,295,697

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

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 October 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	17	27,491,912	18,804,481	-	-
Cost of sales		(29,188,939)	(16,997,944)	-	-
Gross (loss)/profit		(1,697,027)	1,806,537	-	-
Other operating income	18	689,161	586,959	321,744	200,305
Administrative expenses		(8,733,809)	(9,204,511)	(798,734)	(841,604)
Loss from operations		(9,741,675)	(6,811,015)	(476,990)	(641,299)
Finance costs	19	(651,735)	(538,810)	-	-
Loss before taxation	20	(10,393,410)	(7,349,825)	(476,990)	(641,299)
Taxation	23	341,034	(475,370)	(77,219)	66,490
Loss for the financial year		(10,052,376)	(7,825,195)	(554,209)	(574,809)
Other comprehensive loss					
<i>Item that will be reclassified subsequently to profit or loss:</i>					
Foreign currency translation differences		(16,065)	-	-	-
Total comprehensive loss for the financial year		(10,068,441)	(7,825,195)	(554,209)	(574,809)
Loss for the financial year attributable to:					
Owners of the Company		(10,049,311)	(7,825,195)	(554,209)	(574,809)
Non-controlling interests		(3,065)	-	-	-
		(10,052,376)	(7,825,195)	(554,209)	(574,809)
Total comprehensive loss attributable to:					
Owners of the Company		(10,065,376)	(7,825,195)	(554,209)	(574,809)
Non-controlling interests		(3,065)	-	-	-
		(10,068,441)	(7,825,195)	(554,209)	(574,809)
Loss per share (sen)					
- Basic	24	(1.74)	(1.35)		
- Diluted	24	(1.74)	(1.35)		

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

Statements of Changes in Equity

For the financial year ended 31 October 2025

Group	Note	Non-Distributable			Distributable			Total RM
		Share capital RM	Merger reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Equity attributable to owners of the Company RM	Non- controlling interests RM	
At 1 November 2024		42,610,239	(16,100,000)	-	26,808,184	53,318,423	-	53,318,423
Non-controlling interests arising from incorporation of a new subsidiary		-	-	-	-	-	51,000	51,000
Foreign exchange translation reserve		-	-	(16,065)	-	(16,065)	-	(16,065)
Total comprehensive loss for the financial year		-	-	-	(10,049,311)	(10,049,311)	(3,065)	(10,052,376)
At 31 October 2025		42,610,239	(16,100,000)	(16,065)	16,758,873	43,253,047	47,935	43,300,982
At 1 November 2023		42,610,239	(16,100,000)	-	34,633,379	61,143,618	-	61,143,618
Total comprehensive loss for the financial year		-	-	-	(7,825,195)	(7,825,195)	-	(7,825,195)
At 31 October 2024		42,610,239	(16,100,000)	-	26,808,184	53,318,423	-	53,318,423

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

Statements of Changes in Equity

For the financial year ended 31 October 2025

	Non-distributable	Distributable	Total
	Share capital RM	Accumulated losses RM	RM
Company			
At 1 November 2024	42,610,239	(2,516,070)	40,094,169
Total comprehensive loss for the financial year	-	(554,209)	(554,209)
At 31 October 2025	42,610,239	(3,070,279)	39,539,960
At 1 November 2023	42,610,239	(1,941,261)	40,668,978
Total comprehensive loss for the financial year	-	(574,809)	(574,809)
At 31 October 2024	42,610,239	(2,516,070)	40,094,169

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

Statements of Cash Flows

For the financial year ended 31 October 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities					
Loss before taxation		(10,393,410)	(7,349,825)	(476,990)	(641,299)
Adjustments for:					
Depreciation of:					
- property, plant and equipment		1,449,030	1,148,223	-	-
- right-of-use assets		670,909	667,073	-	-
Interest/profit expenses		651,735	538,810	-	-
Interest income		(546,522)	(586,140)	(321,744)	(199,486)
Unrealised loss on foreign exchange		214,134	2,276,907	-	-
Loss on disposal of property, plant and equipment		-	2,120	-	-
Gain on disposal of right-of-use assets		(26,500)	-	-	-
Operating loss before changes in working capital		(7,980,624)	(3,302,832)	(798,734)	(840,785)
Changes in working capital:					
Increase in inventories		(499,130)	(829,376)	-	-
(Increase)/decrease in trade and other receivables		(1,387,146)	(111,564)	(795,053)	532,056
Increase/(decrease) in trade and other payables		5,335,852	(255,046)	(33,693)	95,117
Cash used in operations		(4,531,048)	(4,498,818)	(1,627,480)	(213,612)
Interest paid		(651,735)	(538,810)	-	-
Interest received		546,522	586,140	321,744	199,486
Tax paid - net		(127,079)	(133,250)	(31,490)	(88,000)
Net cash used in operating activities		(4,763,340)	(4,584,738)	(1,337,226)	(102,126)

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

Statements of Cash Flows

For the financial year ended 31 October 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from investing activities					
Acquisition/incorporation of subsidiaries	7	-	-	(383,425)	-
Proceeds from shareholders of non-controlling interest for the incorporation of a subsidiary	7(a)	51,000	-	-	-
Purchase of property, plant and equipment	5	(10,692,971)	(1,504,008)	-	-
Proceeds from disposals of property, plant and equipment		-	600	-	-
Proceeds from disposals of right-of-use assets		26,500	-	-	-
Additions on right-of-use assets	25	-	(51,205)	-	-
Net cash used in investing activities		(10,615,471)	(1,554,613)	(383,425)	-
Cash flows from financing activities					
Net drawdown of borrowings		7,820,493	2,585,547	-	-
Repayment of lease liabilities		(708,939)	(775,526)	-	-
Net cash generated from financing activities		7,111,554	1,810,021	-	-
Net decrease in cash and cash equivalents		(8,267,257)	(4,329,330)	(1,720,651)	(102,126)
Effect of exchange rate		(483,419)	(1,275,636)	-	-
Cash and cash equivalents at beginning of the financial year		26,944,205	32,549,171	10,916,345	11,018,471
Cash and cash equivalents at end of the financial year	27	18,193,529	26,944,205	9,195,694	10,916,345

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

Notes to the Financial Statements

31 October 2025

1. General information

ECA Integrated Solution Berhad ("the Company") is a public limited 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.

The principal place of business is located at Plot 248, Lorong Perindustrian Bukit Minyak 16, Kawasan Perindustrian Bukit Minyak, 14100 Bukit Minyak, Pulau Pinang.

The consolidated financial statements of the Company as at and for the financial year ended 31 October 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 October 2025 do not include other entities.

The principal activity of the Company is investment holdings. The principal activities of its subsidiaries are disclosed in Note 7.

The financial statements were authorised for issue by the board of directors in accordance with a resolution of the directors on 13 February 2026.

2. Basis of preparation of the financial statements

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRS for the current financial year:

Amendments/Improvements to MFRSs

Amendments to MFRS 7:	Financial Instruments: Disclosures
Amendments to MFRS 16:	Leases
Amendments to MFRS 101:	Presentation of Financial Statements
Amendments to MFRS 107:	Statement of Cash Flows

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and to the Company's existing accounting policies.

Notes to the Financial Statements

31 October 2025

2. Basis of preparation of the financial statements (Cont'd)

2.3 New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective:

Title	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
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates	1 January 2027
Amendments to MFRS 10: Consolidated Financial Statements	Deferred
Amendments to MFRS 128: Investments in Associates and Joint Ventures	Deferred

The Group and the Company plan to adopt the above applicable new MFRSs and amendments/improvements to MFRSs when they become effective. The initial application of the applicable new MFRSs and amendments/improvements to MFRSs is not expected to have material impact to the current and prior periods financial statements.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless disclosed otherwise.

3. Material accounting policy information

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associates used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Notes to the Financial Statements

31 October 2025

3. Material accounting policy information (Cont'd)

3.1 Basis of consolidation (Cont'd)

(i) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to Group.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit.

(ii) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future are, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial assets – subsequent measurements and gains and losses

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurements and gains and losses

The Group and the Company classify the financial liabilities at amortised cost. Financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Notes to the Financial Statements

31 October 2025

3. Material accounting policy information (Cont'd)

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Leasehold land	60.00
Plant and machinery	10.00
Factory equipment, furniture and fittings	10.00
Computer and office equipment	5.00 – 10.00
Motor vehicles	6.66
Renovation	10.00

3.5 Leases

(i) Lessee accounting

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of lease.

Right-of-use assets

The right-of-use assets (other than leasehold land that measures using revaluation model) are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Notes to the Financial Statements

31 October 2025

3. Material accounting policy information (Cont'd)

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average cost method except consumables which is on the first-in, first-out method, and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

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

3.7 Impairment of financial assets

At the end of each financial year, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring as at the financial year end with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group uses external credit rating and other supportive information to assess deterioration in credit quality of a financial asset. The Group assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group considers past 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.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cashflows that are due to the Group and all the cash flows that the Group expects to receive.

The Group measures the allowance for impairment loss on trade and other receivables based on the two-step approach as follows:

(i) 12-months expected credit loss

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group measures the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(ii) Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Group. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group reverts the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Group applies the simplified approach in accordance with MFRS 9: Financial Instruments and measure the allowance for impairment loss based on lifetime expected credit loss from initial recognition.

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

Notes to the Financial Statements

31 October 2025

3. Material accounting policy information (Cont'd)

3.8 Revenue and other income

(i) Revenue from contract with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

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

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

If control of the assets is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards the satisfaction of each of those performance obligations. Otherwise, revenue is recognised at a point in time when the customer obtain control over the goods or service.

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the control of the goods have been transferred to the customer and recovery of the consideration is probable. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Other income

a. Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

3.9 Foreign currencies transactions

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Group's functional currency.

(ii) Foreign currency transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's reporting currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the date of the transactions. At each financial year end, monetary items denominated in foreign currencies are translated at the rates prevailing at financial year end. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Notes to the Financial Statements

31 October 2025

3. Material accounting policy information (Cont'd)

3.9 Foreign currencies transactions (Cont'd)

(ii) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operation, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Group's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2025 RM	2024 RM
1 Euro (EUR)	4.85	4.75
1 China Renminbi (RMB)	0.59	0.62
1 Singapore Dollar (SGD)	3.22	3.31
1 United States Dollar (USD)	4.19	4.38

(iii) Foreign operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

Notes to the Financial Statements

31 October 2025

3. Material accounting policy information (Cont'd)

3.9 Foreign currencies transactions (Cont'd)

(iii) Foreign operations (Cont'd)

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in a joint arrangement that includes a foreign operation while retaining joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and to the Company's financial statements within the next financial year are disclosed as follows:

4.1 Depreciation of property, plant and equipment

The Group depreciates property, plant and equipment over their estimated useful lives after taking into account their estimated residual values, using the straight-line method. The estimated useful lives applied by the Group as disclosed in Note 3.4 reflect the directors' estimates of the periods that the Group expects to derive future economic benefits from the use of the Group's property, plant and equipment. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of property, plant and equipment as at reporting date is disclosed in Note 5.

4.2 Impairment of property, plant and equipment

The Group carries out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit (CGU) to which the property, plant and equipment are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of property, plant and equipment as at reporting date is disclosed in Note 5.

4.3 Lease terms

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

Notes to the Financial Statements

31 October 2025

4. Significant accounting judgements, estimates and assumptions (Cont'd)

4.4 Discount rates used in leases

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

4.5 Impairment of investment in subsidiaries

The investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. The Company carries out the impairment test based on a variety of estimations including value-in-use of the CGUs to which the investment in subsidiaries is allocated to. Estimating the value-in-use requires the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

There could be further adjustments to the carrying value of the investments as at the reporting date as disclosed in Note 7 should the going concern basis be inappropriate.

4.6 Write-down of obsolete or slow moving inventories

The Group writes down their obsolete or slow moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 8.

4.7 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecasts of economic conditions over the expected lives of the financial assets.

The information about the impairment losses of the Group's and the Company's financial assets are disclosed in Note 29(b)(i).

4.8 Provisions

The Group uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Group's historical experience and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers (such as a warranty provision), a probability-weighted estimate of the outflows required to settle the obligation is used.

Notes to the Financial Statements

31 October 2025

4. Significant accounting judgements, estimates and assumptions (Cont'd)

4.9 Income tax expense

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense is disclosed in Note 23.

4.10 Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying value of unrecognised deferred tax assets for the Group as at reporting date are disclosed in Note 15.

Notes to the Financial Statements

31 October 2025

5. Property, plant and equipment

Group	Leasehold Land RM	Plant and machinery RM	Factory equipment furniture and fittings RM	Computer and office equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost							
At 1 November 2024	-	11,524,021	298,267	990,112	-	53,420	12,865,820
Additions	7,963,901	731,860	163,082	187,656	-	1,646,472	10,692,971
Reclassified from right-of-use assets (Note 6)	-	660,000	-	-	207,544	-	867,544
At 31 October 2025	7,963,901	12,915,881	461,349	1,177,768	207,544	1,699,892	24,426,335
Accumulated depreciation							
At 1 November 2024	-	(2,308,418)	(99,159)	(197,156)	-	(10,778)	(2,615,511)
Charge for the financial year	-	(1,143,620)	(41,093)	(116,172)	-	(148,145)	(1,449,030)
Reclassified from right-of-use assets (Note 6)	-	(247,500)	-	-	(186,790)	-	(434,290)
At 31 October 2025	-	(3,699,538)	(140,252)	(313,328)	(186,790)	(158,923)	(4,498,831)
Carrying amount							
At 31 October 2025	7,963,901	9,216,343	321,097	864,440	20,754	1,540,969	19,927,504

Notes to the Financial Statements

31 October 2025

5. Property, plant and equipment (Cont'd)

Group	Leasehold Land RM	Plant and machinery RM	Factory equipment and furniture and fittings RM	Computer and office equipment RM	Motor vehicles RM	Renovation RM	Total RM
Cost							
At 1 November 2023	-	10,331,970	286,367	703,455	-	43,420	11,365,212
Additions	-	1,192,051	11,900	290,057	-	10,000	1,504,008
Disposals	-	-	-	(3,400)	-	-	(3,400)
At 31 October 2024	-	11,524,021	298,267	990,112	-	53,420	12,865,820
Accumulated depreciation							
At 1 November 2023	-	(1,275,221)	(69,818)	(117,326)	-	(5,603)	(1,467,968)
Charge for the financial year	-	(1,033,197)	(29,341)	(80,510)	-	(5,175)	(1,148,223)
Disposals	-	-	-	680	-	-	680
At 31 October 2024	-	(2,308,418)	(99,159)	(197,156)	-	(10,778)	(2,615,511)
Carrying amount							
At 31 October 2024	-	9,215,603	199,108	792,956	-	42,642	10,250,309

(a) Right-of-use assets which leases have been fully settled were reclassified to property, plant and equipment.

(b) The leasehold land of the Group at carrying amount of RM7,963,901 (2024: RMNil), represents right-of-use assets. The land has a remaining lease period of 60 (2024: Nil) years expiring in year of 2085 and it has been pledged to a licensed bank as securities for credit facilities granted to the Group, as disclosed in Note 13(c).

Notes to the Financial Statements

31 October 2025

6. Right-of-use assets

Group	Use of factory premises RM	Plant and machinery RM	Motor vehicles RM	Total RM
Cost				
At 1 November 2024	688,640	660,000	1,943,536	3,292,176
Additions	2,210,268	-	-	2,210,268
Disposals	-	-	(1)	(1)
Derecognition of right-of-use assets	(688,640)	-	-	(688,640)
Reclassified to property, plant and equipment (Note 5)	-	(660,000)	(207,544)	(867,544)
At 31 October 2025	2,210,268	-	1,735,991	3,946,259
Accumulated depreciation				
At 1 November 2024	(688,640)	(236,500)	(834,148)	(1,759,288)
Charge for the financial year	(368,378)	(11,000)	(291,531)	(670,909)
Disposals	-	-	1	1
Derecognition of right-of-use assets	688,640	-	-	688,640
Reclassified to property, plant and equipment (Note 5)	-	247,500	186,790	432,290
At 31 October 2025	(368,378)	-	(938,888)	(1,307,266)
Carrying amount				
At 31 October 2025	1,841,890	-	797,103	2,638,993
Cost				
At 1 November 2023	688,640	660,000	1,606,831	2,955,471
Additions	-	-	336,705	336,705
At 31 October 2024	688,640	660,000	1,943,536	3,292,176
Accumulated depreciation				
At 1 November 2023	(359,290)	(170,500)	(562,425)	(1,092,215)
Charge for the financial year	(329,350)	(66,000)	(271,723)	(667,073)
At 31 October 2024	(688,640)	(236,500)	(834,148)	(1,759,288)
Carrying amount				
At 31 October 2024	-	423,500	1,109,388	1,532,888

The plant and machinery and motor vehicles of the Group with carrying amount of RMNil and RM797,103 (2024: RM423,500 and RM1,109,388), respectively are secured under hire purchase arrangements with banks, as disclosed in Note 14.

Notes to the Financial Statements

31 October 2025

7. Investment in subsidiaries

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost		
At beginning of the financial year	17,100,100	17,100,100
Additions	383,425	-
At end of the financial year	17,483,525	17,100,100

The details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business	Principal activities	Effective ownership interests	
			2025 %	2024 %
ECA Advanced Solutions Sdn. Bhd.	Malaysia	Automated manufacturing solutions provider which is involved in the provision of integrated production systems and standalone automated equipment.	100	100
ECA Skytech Solutions Sdn. Bhd.	Malaysia	Manufacturer of machinery for the semiconductor industry, lens/glass prism pressing machines and multi axis robotic arms. Has not commenced its operation since the date of incorporation.	100	100
ECA Innotech Sdn. Bhd.	Malaysia	Procured business in design, consulting, manufacturing and sale of customise test and automation equipment including but not limited to printed circuit board assembly, machining part, sheetmetal, sensors, camera, controller and related maintenance services. Has not commenced its operation since the date of incorporation.	49	Nil
ECA Automation Vietnam Company Limited * +	Vietnam	Wholesale of other machinery and equipment. Has not commenced its operation since the date of incorporation.	100	100
ECA Automation India Private Limited * + ^	India	Automated manufacturing solutions provider that is principally engaged in the provision of integrated production systems and standalone automated equipment. Has not commenced its operation since the date of incorporation.	99	99

Notes to the Financial Statements

31 October 2025

7. Investment in subsidiaries (Cont'd)

- * Audited by auditors other than Nexia SSY PLT.
- + In the previous financial year, the subsidiaries had no requirement to audit as they were newly incorporated, and since these new subsidiaries have remained dormant with no significant contribution to the results of the Group, the Company did not consolidate them. In the current financial year, they have been consolidated to the Company's financial statements.
- ^ The Company's financial statements were based on unaudited management financial statements as the audited financial statements were prepared for a different year end, 31 March 2025.

(a) Acquisition/incorporation of subsidiaries

During the financial year, the Company entered into a shareholders' agreement with two parties to incorporate a company, ECA Innotech Sdn. Bhd. ("ECAI"). The Company's cost of investment amounts to RM49,000, representing a 49% equity interest in ECAI. Notwithstanding that the Company holds only 49% of the ordinary shares in ECAI, it has been determined that the Company has control over ECAI by virtue of the shareholders' agreement entered into.

During the financial year, the Company contributed capital to ECA Automation Vietnam Company Limited ("ECAV") and ECA Automation India Private Limited ("ECAIN"). The total cost of investment amounted to RM175,852 and RM158,573, respectively, representing 100% and 99% equity interests in ECAV and ECAIN, respectively.

(b) Non-controlling interests

No significant non-controlling interests disclosed as the subsidiaries are currently dormant, as such are immaterial to the Company, resulting in no material impact on the Group's and the Company's financial results.

8. Inventories

	Group	
	2025 RM	2024 RM
At costs:		
- raw material	1,153,604	1,257,042
- work in progress	7,497,487	6,894,919
	8,651,091	8,151,961
Recognised in profit or loss:		
- Inventories recognised in cost of sales	18,323,700	8,423,457

Notes to the Financial Statements

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9. Trade and other receivables

	Group		Company	
	2025 RM	Restated 2024 RM	2025 RM	Restated 2024 RM
Trade				
Third parties	18,003,828	12,892,339	-	-
Non-trade				
Other receivables				
- third parties	475,525	829,062	-	-
Deposits	510,642	4,372,643	940	1,000
Prepayments	1,481,199	787,723	-	-
Amount due from subsidiaries	-	-	12,913,875	12,118,762
	2,467,366	5,989,428	12,914,815	12,119,762
Trade and other receivables	20,471,194	18,881,767	12,914,815	12,119,762
Trade and other receivables	20,471,194	18,881,767	12,914,815	12,119,762
Less: Allowance for impairment losses	-	-	-	-
	20,471,194	18,881,767	12,914,815	12,119,762

The trade receivables of the Group are non-interest bearing and have normal credit terms of trade receivables ranging from 30 to 90 (2024: 60 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

Included in previous year's deposits is an amount of RM3,981,950 being the 50% payment for a piece of industrial land, as disclosed in Note 33(a).

Prepayments includes the amount paid in advance to a related party for rental of factory building.

The amount due from subsidiaries are non-trade in nature and represents advances and payments made on behalf, are unsecured, interest-free and are repayable on demand.

10. Fixed deposits with a licensed bank

The fixed deposits with a licensed bank of the Group and of the Company have maturity periods of 3 (2024: 3) months and carry interest rate at 3.35% (2024: 2.54%) per annum.

Notes to the Financial Statements

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11. Share capital

Group and Company	Number of ordinary shares		Amount	
	2025 Unit	2024 Unit	2025 RM	2024 RM

Issued and fully paid ordinary shares

At beginning/end of the financial year	579,040,425	579,040,425	42,610,239	42,610,239
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The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank pari-passu with regard of the Company's residual assets.

12. Reserves

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Merger reserve (Note a)	(16,100,000)	(16,100,000)	-	-
Foreign exchange translation reserve (Note b)	(16,065)	-	-	-
Retained earnings/(accumulated losses) (Note c)	16,758,873	26,808,184	(3,070,279)	(2,516,070)
	642,808	10,708,184	(3,070,279)	(2,516,070)

(a) Merger reserve

The merger reserve arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles. The merger reserve resulted from ECA Advanced Solutions Sdn. Bhd. ("ECASB") being the difference between the purchase consideration of RM17,100,000 and the share capital which stood at RM1,000,000.

(b) Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

(c) Retained earnings

The Company may distribute dividends out of its retained earnings under the single tier system to its shareholders.

Notes to the Financial Statements

31 October 2025

13. Borrowings

	Group	
	2025 RM	2024 RM
Non-current		
Secured		
Term loans	<u>9,172,535</u>	<u>4,410,901</u>
Current		
Secured		
Bank overdraft	257,505	466,929
Bankers' acceptances	5,004,000	2,141,000
Term loans	1,765,126	1,569,267
	<u>7,026,631</u>	<u>4,177,196</u>
	<u>16,199,166</u>	<u>8,588,097</u>
Total borrowings:		
Secured		
Bank overdraft	257,505	466,929
Bankers' acceptances	5,004,000	2,141,000
Term loans	10,937,661	5,980,168
	<u>16,199,166</u>	<u>8,588,097</u>

The effective interest rates for the borrowings of the Group are as follows:

	Group	
	2025 %	2024 %
Bank overdraft	8.20	8.45
Bankers' acceptances	2.75 - 5.20	2.75 - 5.57
Term loans	<u>3.00 - 3.82</u>	<u>3.00 - 3.50</u>

(a) Bank overdraft

The bank overdraft is secured by the followings:

- (i) jointly and severally guaranteed by the directors and a shareholder of the Company; and
- (ii) guarantee executed by a third party, Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP").

Notes to the Financial Statements

31 October 2025

13. Borrowings (Cont'd)

(b) Bankers' acceptances

The bankers' acceptances are secured by the followings:

- (i) jointly and severally guaranteed by the directors and a shareholder of the Company; and
- (ii) guarantee executed by a third party, Syarikat Jaminan Pembiayaan Perniagaan Behad ("SJPP").

(c) Term loans

	Group	
	2025 RM	2024 RM
Secured		
Term loan 1	54,972	267,892
Term loan 2	1,665,429	2,351,373
Term loan 3	2,629,149	3,360,903
Term loan 4	6,588,111	-
	<u>10,937,661</u>	<u>5,980,168</u>

Repayable as follows:

	Group	
	2025 RM	2024 RM
Non-current		
Later than one year and not later than two years		
- Term loan 1	-	54,964
- Term loan 2	700,165	662,375
- Term loan 3	826,327	779,041
- Term loan 4	279,185	-
	<u>1,805,677</u>	<u>1,496,380</u>
Later than two years and not later than five years		
- Term loan 2	302,889	1,064,413
- Term loan 3	1,023,781	1,850,108
- Term loan 4	930,015	-
	<u>2,256,685</u>	<u>2,914,521</u>
Later than five years		
- Term loan 4	5,110,173	-
Total of non-current	<u>9,172,535</u>	<u>4,410,901</u>

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13. Borrowings (Cont'd)

(c) Term loans (Cont'd)

Repayable as follows: (Cont'd)

	Group	
	2025 RM	2024 RM
Current		
Not later than one year		
- Term loan 1	54,972	212,928
- Term loan 2	662,375	624,585
- Term loan 3	779,041	731,754
- Term loan 4	268,738	-
Total of current	<u>1,765,126</u>	<u>1,569,267</u>
	<u>10,937,661</u>	<u>5,980,168</u>

Term loan 1

The term loan 1 is secured by the followings:

- (i) jointly and severally guaranteed by the directors and a shareholder of the Company; and
- (ii) guarantee executed by a third party, Credit Guarantee Corporation Malaysia Berhad ("CGC").

Term loan 2

The term loan 2 is secured by corporate guarantee of the Company.

Term loan 3

The term loan 3 is jointly and severally guarantee by the Company.

Term loan 4

The term loan 4 is secured by the followings:

- (i) first party all monies charge over property of a subsidiary, as disclosed in Note 5; and
- (ii) corporate guarantee by the Company.

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14. Lease liabilities

	Group	
	2025 RM	2024 RM
At beginning of the financial year	1,059,163	1,549,189
Additions during the financial year	2,210,268	285,500
Interest expense recognised in statements of profit or loss and other comprehensive income	58,864	58,457
Repayments of principal	(708,939)	(775,526)
Repayments of interest	(58,864)	(58,457)
At end of the financial year	2,560,492	1,059,163
Analysed by:		
Non-current	1,217,830	709,465
Current	1,342,662	349,698
	2,560,492	1,059,163

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

Group	Factory rental RM	Hire purchase RM	Total RM
2025			
Minimum lease payments			
- not later than one year	1,140,000	268,636	1,408,636
- later than one year and not later than two years	760,000	244,038	1,004,038
- later than two years and not later than five years	-	244,600	244,600
Total minimum lease payments	1,900,000	757,274	2,657,274
Less: Future finance charges on lease liabilities	(48,974)	(47,808)	(96,782)
Present value of lease liabilities	1,851,026	709,466	2,560,492
Present value of minimum lease payments			
- not later than one year	1,099,506	243,156	1,342,662
- later than one year and not later than two years	751,520	228,957	980,477
- later than two years and not later than five years	-	237,353	237,353
Total present value of minimum lease payments	1,851,026	709,466	2,560,492
Less: Amount due within 12 months	(1,099,506)	(243,156)	(1,342,662)
Amount due after 12 months	751,520	466,310	1,217,830

Notes to the Financial Statements

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14. Lease liabilities (Cont'd)

Group	Factory rental RM	Hire purchase RM	Total RM
2024			
Minimum lease payments			
- not later than one year	-	387,803	387,803
- later than one year and not later than two years	-	268,636	268,636
- later than two years and not later than five years	-	488,637	488,637
Total minimum lease payments	-	1,145,076	1,145,076
Less: Future finance charges on lease liabilities	-	(85,913)	(85,913)
Present value of lease liabilities	-	1,059,163	1,059,163
Present value of minimum lease payments			
- not later than one year	-	349,698	349,698
- later than one year and not later than two years	-	243,156	243,156
- later than two years and not later than five years	-	466,309	466,309
Total present value of minimum lease payments	-	1,059,163	1,059,163
Less: Amount due within 12 months	-	(349,698)	(349,698)
Amount due after 12 months	-	709,465	709,465

Certain lease liabilities of the Group are secured by the Group's plant and machinery and motor vehicles under the hire purchase arrangements with banks, as disclosed in Note 6, with lease terms of 5 to 7 (2024: 4 to 7) years.

	Group	
	2025 %	2024 %
Effective interest rate	3.00 - 6.27	3.75 - 6.27

15. Deferred tax liabilities

	Group	
	2025 RM	2024 RM
At beginning of the financial year	472,200	22,890
Recognised in the statement of profit or loss and other comprehensive income (Note 23)	(472,200)	449,310
At end of the financial year	-	472,200

Notes to the Financial Statements

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15. Deferred tax liabilities (Cont'd)

(a) Presented after appropriate offsetting as follows:

	Group	
	2025 RM	2024 RM
Deferred tax assets	(1,209,255)	(544,265)
Deferred tax liabilities	<u>1,209,255</u>	<u>1,016,465</u>
	<u>-</u>	<u>472,200</u>

(b) The components of deferred tax (assets)/liabilities prior to offsetting are as follows:

	Group	
	2025 RM	2024 RM
Deferred tax assets		
Unabsorbed tax losses	<u>(1,209,255)</u>	<u>(544,265)</u>
	(1,209,255)	(544,265)
Deferred tax liabilities		
Difference between the carrying amount of property, plant and equipment and their tax bases	<u>1,209,255</u>	<u>1,016,465</u>
	<u>-</u>	<u>472,200</u>

The availability of unabsorbed tax losses for offsetting against future taxable profits of the Company and its respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Notes to the Financial Statements

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15. Deferred tax liabilities (Cont'd)

Subject to the agreement by Inland Revenue Board, the amount of temporary differences as at the end of the reporting year are as follows:

	Group	
	2025 RM	2024 RM
Deferred tax assets		
Unutilised capital allowances	4,369,012	2,133,218
Unabsorbed tax losses	9,698,923	2,683,352
Unrealised loss on foreign exchange	456,392	242,258
	14,524,327	5,058,828
Deferred tax assets arising in respect of the above temporary difference	3,485,838	1,214,119
Deferred tax assets recognised	(1,209,255)	(544,265)
Deferred tax assets not recognised due to uncertainties of realisation of profit	2,276,583	669,854

Deferred tax assets of RM2,276,583 have not been recognised because it is not probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

The unabsorbed tax losses are allowed to be utilised for 10 (2024: 10) consecutive years of assessment while the unutilised capital allowances are allowed to be carried forward indefinitely.

The unabsorbed tax losses are available for offset against future taxable profits of the Group which will expire in the following financial year:

	Group	
	2025 RM	2024 RM
2034	2,683,352	2,683,352
2035	7,015,571	-
	9,698,923	2,683,352

Notes to the Financial Statements

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16. Trade and other payables

	Group		Company	
	2025 RM	Restated 2024 RM	2025 RM	Restated 2024 RM
Trade				
Third parties	5,410,943	1,755,910	-	-
Non-trade				
Other payables				
- third parties	346,601	309,784	2,845	10,698
- amount due to a related party	159,756	-	-	-
- amount due to a director	2,850	2,850	2,850	2,850
Accruals	1,086,719	831,381	118,140	187,880
Provisions	1,177,969	-	-	-
Amount due to a subsidiary	-	-	44,000	100
	2,773,895	1,144,015	167,835	201,528
Total trade and other payables	8,184,838	2,899,925	167,835	201,528

The normal credit terms of trade payables of the Group range from cash term to 90 days (2024: 30 to 90 days).

The provision represents the Group's obligation to perform rework on manufactured goods arising from additional requests by customers or where products do not meet customer specifications. The provision is recognised based on management's best estimate, determined using historical rework data for similar products.

The amount due to a related party is an amount due to a company in which certain directors have an interest.

The amounts due to a related party, a director and a subsidiary are unsecured, interest-free and are repayable on demand.

17. Revenue

	Group	
	2025 RM	2024 RM
Sales of goods	27,491,912	18,804,481

Breakdown of revenue recognised from contracts with customers is as follows:

	Group	
	2025 RM	2024 RM
Primary geographical markets		
Malaysia	6,677,211	8,516,446
North America	11,442,165	7,505,375
Rest of Asia	9,357,693	2,773,580
Europe	14,843	9,080
	27,491,912	18,804,481

The timing of revenue recognition is at point in time.

Notes to the Financial Statements

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18. Other operating income

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Gain on disposals of right-of-use assets	26,500	-	-	-
Interest income	546,522	586,140	321,744	199,486
Realised gain on foreign exchange	116,139	819	-	819
	689,161	586,959	321,744	200,305

19. Finance costs

	Group	
	2025 RM	2024 RM
Interest/profit expense on:		
- Bankers' acceptances	80,926	89,068
- Bank guarantee	2,113	-
- Bank overdraft	35,076	30,291
- Lease liabilities	58,864	58,457
- Term loans	474,756	360,994
	651,735	538,810

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20. Loss before taxation

The following items have been charged/(credited) in arriving at loss before taxation:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration:				
- statutory audit	110,000	77,000	52,000	39,000
- other services	10,000	8,000	10,000	8,000
Depreciation of property, plant and equipment	1,449,030	1,148,223	-	-
Depreciation of right-of-use assets	670,909	667,073	-	-
Directors' remuneration (Note 21)	1,493,766	1,589,317	282,500	282,480
Employee benefits expenses (Note 22)	9,169,708	8,628,206	-	-
Expenses relating to short-term lease	248,000	31,000	-	-
Finance costs (Note 19)	651,735	538,810	-	-
Gain on disposals of right-of-use assets	(26,500)	-	-	-
Interest income	(546,522)	(586,140)	(321,744)	(199,486)
Loss on disposals of property, plant and equipment	-	2,120	-	-
Loss on foreign exchange:				
- realised	1,159,880	2,340	8,401	-
- unrealised	214,134	2,276,907	-	-
Realised gain on foreign exchange	(116,139)	(819)	-	(819)

21. Directors' remuneration

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fee	272,000	272,800	272,000	272,800
Salaries, bonuses and other benefits	1,089,500	1,184,680	10,500	9,680
Employee Provident Fund	129,480	129,480	-	-
Social Security Cost	2,500	2,115	-	-
Employment Insurance System	286	242	-	-
	1,493,766	1,589,317	282,500	282,480

Notes to the Financial Statements

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22. Employee benefits expenses

	Group	
	2025 RM	2024 RM
Salaries, wages and bonus	7,529,774	7,033,236
Employees Provident Fund	908,942	887,242
Social Security Cost	92,953	76,569
Employment Insurance System	9,277	5,652
Other staff related expenses	628,762	625,507
	9,169,708	8,628,206

Included in the employee benefits expenses were the remuneration for the key senior management as follows:

	Group	
	2025 RM	2024 RM
Salaries, wages and bonus	722,833	697,646
Employees Provident Fund	84,528	83,520
Social Security Cost	2,395	2,115
Employment Insurance System	274	242
	810,030	783,523

23. Taxation

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Malaysian income tax</u>				
- current year	131,166	92,800	77,219	-
- overprovision in prior financial years	-	(66,740)	-	(66,490)
	131,166	26,060	77,219	(66,490)
<u>Deferred tax (Note 15)</u>				
- relating to origination and reversal of temporary differences	-	(362,818)	-	-
- (over)/underprovision in prior financial years	(472,200)	812,128	-	-
	(472,200)	449,310	-	-
	(341,034)	475,370	77,219	(66,490)

Notes to the Financial Statements

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23. Taxation (Cont'd)

Income tax is calculated at the Malaysian statutory tax rates of 24% (2024: 24%) of the estimated assessable profit for the financial year.

A subsidiary has been granted pioneer status by the Ministry of International Trade and Industry ("MITI") of Malaysia under the Promotion of Investment Act, 1986. The subsidiary enjoyed full exemption from income tax on its statutory income from its pioneer activities for 5 years, from 27 November 2017 to 26 November 2022.

The MITI had on 17 February 2024 resolved to approve the renewal of the pioneer status held by the subsidiary for the remaining validity period of 5 years effective from 27 November 2022 to 26 November 2027.

Reconciliations of income tax expense applicable to the results of the Group and of the Company 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss before taxation	(10,393,410)	(7,349,825)	(476,990)	(641,299)
Taxation at statutory income rate of 24% (2024: 24%)	(2,494,418)	(1,763,958)	(114,478)	(153,912)
Tax effects of:				
- expenses not deductible for tax purposes	1,018,855	1,493,940	191,697	153,912
- deferred tax assets not recognised	1,606,729	-	-	-
(Over)/underprovision in prior years				
- income tax	-	(66,740)	-	(66,490)
- deferred tax	(472,200)	812,128	-	-
	(341,034)	475,370	77,219	(66,490)

24. Loss per share

Basic loss per share is calculated by dividing the loss for the financial year attributable to ordinary shareholders by weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2025 RM	2024 RM
Loss attributable to the owners of the Company (RM)	(10,049,311)	(7,825,195)
Weighted average number of ordinary shares for basic earnings per share (units)	579,040,425	579,040,425
Basic loss per ordinary share (sen)	(1.74)	(1.35)

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24. Loss per share (Cont'd)

Diluted

There is no diluted earnings per share as the Company did not have any dilutive potential ordinary shares during the financial year.

25. Additions on right-of-use assets

During the financial year, the Group made the following cash payments to the additions on right-of-use assets.

	Group	
	2025 RM	2024 RM
Additions on right-of-use assets (Note 6)	2,210,268	336,705
Financed by lease arrangements	(2,210,268)	(285,500)
Cash payments	-	51,205

26. Changes in liabilities arising from financing activities

(a) The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes as follows:

Group	At beginning of the financial year RM	Net change from financing cash flows RM	Acquisition of new lease/ financing RM	At end of the financial year RM
2025				
Bank overdraft	466,929	(209,424)	-	257,505
Bankers' acceptances	2,141,000	(6,727,000)	9,590,000	5,004,000
Lease liabilities	1,059,163	(708,939)	2,210,268	2,560,492
Term loans	5,980,168	(1,811,507)	6,769,000	10,937,661
	9,647,260	(9,456,870)	18,569,268	18,759,658
2024				
Bank overdraft	-	-	466,929	466,929
Bankers' acceptances	2,124,000	(6,673,000)	6,690,000	2,141,000
Lease liabilities	1,549,189	(775,526)	285,500	1,059,163
Term loans	3,411,621	(1,346,327)	3,914,874	5,980,168
	7,084,810	(8,794,853)	11,357,303	9,647,260

Notes to the Financial Statements

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26. Changes in liabilities arising from financing activities (Cont'd)

(b) Cash outflows for leases as a lessee:

	Group	
	2025 RM	2024 RM
Including in net cash from operating activities:		
Payment relating to short-term lease	248,000	31,000
Interest paid in relation to lease liabilities	58,864	58,457
Including in net cash from financing activities:		
Payment on lease liabilities	708,939	775,526
	1,015,803	864,983

27. Cash and cash equivalents

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	9,451,034	18,411,134	195,694	1,916,345
Fixed deposits with a licensed bank	9,000,000	9,000,000	9,000,000	9,000,000
	18,451,034	27,411,134	9,195,694	10,916,345
Bank overdraft	(257,505)	(466,929)	-	-
Cash and cash equivalents	18,193,529	26,944,205	9,195,694	10,916,345

28. Segmental information

Segmental information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenues are eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Executive Director. Segment total assets are used to measure the return of assets of each segment.

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28. Segmental information (Cont'd)

(a) Business segment

	Investment holding RM	Manufacturing RM	Total RM
2025			
Revenue			
Revenue from external customers	-	27,491,912	27,491,912
Results			
Finance income	321,744	224,778	546,522
Depreciation of property, plant and equipment	-	(1,449,030)	(1,449,030)
Depreciation of right-of-use assets	-	(670,909)	(670,909)
Finance costs	-	(651,735)	(651,735)
Taxation	(77,219)	418,253	341,034
Segment results	(554,209)	(9,498,167)	(10,052,376)
Assets:			
Segment assets	9,310,395	60,935,083	70,245,478
Liabilities:			
Segment liabilities	123,835	26,820,661	26,944,496
2024			
Revenue			
Revenue from external customers	-	18,804,481	18,804,481
Results			
Finance income	199,486	386,654	586,140
Depreciation of property, plant and equipment	-	(1,148,223)	(1,148,223)
Depreciation of right-of-use assets	-	(667,073)	(667,073)
Finance costs	-	(538,810)	(538,810)
Taxation	66,490	(541,860)	(475,370)
Segment results	(574,809)	(7,250,386)	(7,825,195)
Assets:			
Segment assets	11,027,094	55,310,714	66,337,808
Liabilities:			
Segment liabilities	201,428	12,817,957	13,019,385

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28. Segmental information (Cont'd)

(b) Geographical information

Geographical information of revenue by location of customers is disclosed in Note 17.

(c) Major customers

The following are the major customers, each with revenue equal to or more than 10% of the Group's total revenue:

	Revenue	
	2025 RM	2024 RM
Customer A	17,000,026	5,649,657
Customer B	-	3,303,964
Customer C	-	3,995,475
	<u> </u>	<u> </u>

Customer A and B represent a group of companies with revenues more than 10% of the Group's total revenue.

29. Financial instruments

(a) Categories of financial statements

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

Group	Carrying Amount RM	Amortised cost RM
2025		
Non-derivative financial assets		
Trade and other receivables, excluding prepayments	18,989,995	18,989,995
Fixed deposits with a licensed bank	9,000,000	9,000,000
Cash and bank balances	9,451,034	9,451,034
	<u>37,441,029</u>	<u>37,441,029</u>
Non-derivative financial liabilities		
Trade and other payables, excluding provisions	7,006,869	7,006,869
Borrowings	16,199,166	16,199,166
Lease liabilities	2,560,492	2,560,492
	<u>25,766,527</u>	<u>25,766,527</u>

Notes to the Financial Statements

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29. Financial instruments (Cont'd)

(a) Categories of financial statements (Cont'd)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (Cont'd)

Group	Carrying Amount RM	Amortised cost RM
2024 (restated)		
Non-derivative financial assets		
Trade and other receivables, excluding prepayments	18,094,044	18,094,044
Fixed deposits with a licensed bank	9,000,000	9,000,000
Cash and bank balances	18,411,134	18,411,134
	45,505,178	45,505,178
Non-derivative financial liabilities		
Trade and other payables	2,899,925	2,899,925
Borrowings	8,588,097	8,588,097
Lease liabilities	1,059,163	1,059,163
	12,547,185	12,547,185
Company	Carrying Amount RM	Amortised cost RM
2025		
Non-derivative financial assets		
Other receivables, excluding prepayments	12,914,815	12,914,815
Fixed deposits with a licensed bank	9,000,000	9,000,000
Cash and bank balances	195,694	195,694
	22,110,509	22,110,509
Non-derivative financial liabilities		
Other payables	167,835	167,835
	167,835	167,835

Notes to the Financial Statements

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29. Financial instruments (Cont'd)

(a) Categories of financial statements (Cont'd)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (Cont'd)

Company	Carrying Amount RM	Amortised cost RM
2024 (restated)		
Non-derivative financial assets		
Other receivables, excluding prepayments	12,119,762	12,119,762
Fixed deposits with a licensed bank	9,000,000	9,000,000
Cash and bank balances	1,916,345	1,916,345
	<u>23,036,107</u>	<u>23,036,107</u>
Non-derivative financial liabilities		
Other payables	201,528	201,528
	<u>201,528</u>	<u>201,528</u>

(b) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers.

Trade receivables

Risk management objectives, policies and processes for managing the risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks is minimised and monitored via strictly limiting the Group's associations to business partners with high credit worthiness. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Notes to the Financial Statements

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29. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

Concentration of credit risk

The following shows the total amount due from the top five receivables as at the reporting date, which represents approximately 90% (2024: 76%) of the total trade receivables.

	Group	
	2025 RM	2024 RM
Trade receivables	16,153,859	9,774,214

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure the expected credit losses ("ECL") of trade receivables from individual customers, which comprise a very large number of insignificant balances outstanding.

To measure the ECLs, trade receivables have been grouped based on credit risk and days past due.

Where a trade receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the financial year which are grouped together as they are expected to have similar risk nature:

Group	Gross amount RM	Less: allowance RM	Carrying amount RM
2025			
Not past due	6,180,016	-	6,180,016
Past due 1 - 30 days	948,656	-	948,656
Past due 31 - 60 days	10,431,114	-	10,431,114
Past due 61 - 90 days	202,113	-	202,113
Past due more than 90 days	241,929	-	241,929
	18,003,828	-	18,003,828

Notes to the Financial Statements

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29. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

Group	Gross amount RM	Less: Allowance RM	Carrying amount RM
2024			
Not past due	12,719,766	-	12,719,766
Past due 1 - 30 days	115,469	-	115,469
Past due 31 - 60 days	-	-	-
Past due 61 - 90 days	-	-	-
Past due 91 - 120 days	57,104	-	57,104
	<u>12,892,339</u>	<u>-</u>	<u>12,892,339</u>

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired are due to the management is of the view that these debts will be collected in due course.

Other receivables

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

Amount due from subsidiaries

At the reporting date, the Company has a significant concentration of credit risk in the form of outstanding balances from one (2024: one) subsidiary representing approximately 93% (2024: 100%) of the total amounts due from subsidiaries.

Management assesses the credit risk of amounts due from subsidiaries with reference to the financial position, business performance of the subsidiaries and probability of default.

The amount due from subsidiaries are considered to have low credit risk as the Company has control over the operating, investing and financing activities of its subsidiaries. The use of advances to assist with the subsidiaries' cash flow management is in line with Group's treasury management. There has been no significant increase in the credit risk of the amounts due from subsidiaries since initial recognition.

Management has assessed and concluded that any credit risk in respect of amount due from subsidiaries are to be considered insignificant.

Notes to the Financial Statements

31 October 2025

29. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

The Company provides corporate guarantees which are financial guarantee contracts, to customers/suppliers of subsidiaries and licensed banks in respect of banking facilities granted to the subsidiaries.

The maximum exposure to credit risk of the Company amounts to RM23,601,000 (2024: RM17,166,000), representing the outstanding financial guarantee as at end of the reporting year. All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet their financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payable and borrowings.

The Group maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Notes to the Financial Statements

31 October 2025

29. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM	Contractual interest/ profit rate %	Contractual undiscounted cash flows RM	Maturity			
				Less than 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM
2025							
Trade and other payables	7,006,869	-	7,006,869	7,006,869	-	-	-
Bank overdraft	257,505	8.20	278,620	278,620	-	-	-
Bankers' acceptances	5,004,000	2.75 - 5.20	5,078,566	5,078,566	-	-	-
Lease liabilities	2,560,492	3.00 - 6.27	2,657,274	1,408,636	1,004,038	244,600	-
Term loans	10,937,661	3.00 - 3.82	13,719,972	2,208,719	2,153,640	2,945,605	6,412,008
	25,766,527		28,741,301	15,981,410	3,157,678	3,190,205	6,412,008
2024 (restated)							
Trade and other payables	2,899,925	-	2,899,925	2,899,925	-	-	-
Bank overdraft	466,929	8.45	506,385	506,385	-	-	-
Bankers' acceptances	2,141,000	2.75 - 5.57	2,167,430	2,167,430	-	-	-
Lease liabilities	1,059,163	3.75 - 6.27	1,145,076	387,803	268,636	488,637	-
Term loans	5,980,168	3.00 - 3.50	6,613,757	1,857,849	1,694,512	3,061,396	-
	12,547,185		13,332,573	7,819,392	1,963,148	3,550,033	-

Notes to the Financial Statements

31 October 2025

29. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The table below summarises the maturity profile of the Group's and Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (Cont'd)

Company	Carrying amount RM	Contractual interest/ profit rate %	Contractual undiscounted cash flows RM	Maturity				
				Less than 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM	RM
2025								
Trade and other payables	167,835	-	167,835	167,835	-	-	-	-
Financial guarantee *	16,199,166	-	19,077,158	7,565,905	2,153,640	2,945,605	6,412,008	
	16,367,001		19,244,993	7,733,740	2,153,640	2,945,605	6,412,008	
2024 (restated)								
Trade and other payables	201,528	-	201,528	201,528	-	-	-	-
Financial guarantee *	8,588,097	-	9,287,572	4,531,664	1,694,512	3,061,396	-	-
	8,789,625		9,489,100	4,733,192	1,694,512	3,061,396	-	-

* Based on the maximum amount can be called for under the financial guarantee contract.

Notes to the Financial Statements

31 October 2025

29. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest/expense rates and other prices that will affect the Group's and the Company's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group entities. The currencies giving rise to this risk are primarily Euro ("EUR"), China Renminbi ("RMB"), Singapore Dollar ("SGD") and United States Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The exposure to currency risk is monitored by the management and it is not expected to have a material impact on the financial performance of the Group and the Company.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk based on carrying amounts as at the end of the reporting period was:

	Denominated in			
	EUR RM	RMB RM	SGD RM	USD RM
Balance recognised and included in the statements of financial position:				
Group				
2025				
Trade and other receivables	39,834	-	248,187	16,053,616
Cash and bank balances	416,406	26,388	989,464	6,643,287
Trade and other payables	-	-	(24,505)	(1,752,067)
	456,240	26,388	1,213,146	20,944,836
2024 (restated)				
Trade and other receivables	210,573	-	1,237,086	8,391,059
Cash and bank balances	203,742	1,016,403	1,215,675	10,348,816
Trade and other payables	-	-	(28,817)	(405,316)
	414,315	1,016,403	2,423,944	18,334,559

Notes to the Financial Statements

31 October 2025

29. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risk (Cont'd)

Currency risk (Cont'd)

Exposure to foreign currency risk (Cont'd)

A 5% (2024: 5%) strengthening of the RM against the above currencies at the end of the reporting period would have decreased equity and post-tax loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	Group	
	2025 RM	2024 RM
Changes in equity	(860,343)	(843,190)
Changes in post - tax loss	(860,343)	(843,190)

A 5% (2024: 5%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term investments such as deposits with licensed bank are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Notes to the Financial Statements

31 October 2025

29. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risk (Cont'd)

Interest rate risk (Cont'd)

Exposure to interest rate risk

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

Group	2025 RM	Interest rate %	2024 RM	Interest rate %
Fixed rate instruments				
Lease liabilities	2,560,492	3.00 - 6.27	1,059,163	3.75 - 6.27
Term loans	10,937,661	3.00 - 3.82	5,980,168	3.00 - 3.50
Floating rate instruments				
Bankers' acceptances	5,004,000	2.75 - 5.20	2,141,000	2.75 - 5.57
Bank overdraft	257,505	8.20	466,929	8.45

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's loss net of tax would have been RM39,987 (2024: RM19,820) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(iv) Operational risk

The operational risk arises from the daily activities of the Group and of the Company which includes legal, credit reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approval limits, clear reporting structure, segregation of duties, policies and procedures implemented and periodic management meetings.

In dealing with its stewardship, the directors recognise that effective risk management is an integral part of good business practice.

The directors will pursue an ongoing process of identifying, assessing and managing key business areas, overall operational and financial risks faced by the business units as well as regularly reviewing and enhancing risk mitigating strategies with its appointed and key management personnel.

Notes to the Financial Statements

31 October 2025

29. Financial instruments (Cont'd)

(c) Fair values information

The carrying amount of cash and cash equivalents, trade and other receivables, inter-company balances, trade and other payables, amount due to directors, financial guarantee, short term borrowings and current portion of lease payables approximate fair value due to the relatively short-term nature of these financial instruments.

The aggregate fair value of the other financial assets and liabilities carried on the statements of financial position approximates their carrying value.

The Group and the Company use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value is observable, either directly or indirectly.
- Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group and the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be settled. Therefore, the fair value hierarchy is not presented.

30. Capital management

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

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

	2025 RM	2024 RM
Total borrowings	<u>16,908,632</u>	<u>9,647,260</u>
Total equity	<u>43,300,982</u>	<u>53,318,423</u>
Debt-to-equity ratio	<u>0.39</u>	<u>0.18</u>

Notes to the Financial Statements

31 October 2025

31. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have 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 Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the directors of the Group and of the Company, and certain members of the senior management of the Group and of the Company.

Significant related party transactions

Related party transactions entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are show below. The related party balances are shown in Notes 9 and 16.

Transactions with a company in which the directors of the Company have an interest:

	2025 RM	2024 RM
Related party		
- Rental of factory	<u>628,000</u>	<u>372,000</u>

Compensation of key management personnel

The key management personnel include directors and certain members of senior management of the Company.

The remuneration paid by the Company to the key management personnel during the financial year are disclosed in Notes 21 and 22.

32. Capital commitment

	2025 RM	2024 RM
Approved and contracted for:		
- Land	<u>-</u>	<u>3,981,950</u>

Notes to the Financial Statements

31 October 2025

33. Significant and subsequent events

(a) Acquisition of an industrial land

On 21 May 2024, the Company's wholly owned subsidiary, ECA Advanced Solutions Sdn. Bhd. ("ECAAS") entered into a Sale and Purchase Agreement with The Penang Development Corporation ("State Government") to acquire an industrial land located in Daerah Seberang Perai Tengah, Negeri Pulau Pinang containing an area of approximately 3.0471 acres described as Plot 35, Penang Science Park North ("PSPN") for a cash consideration of RM7.96 million.

On 19 September 2024, ECAAS made the 50% payment of the purchase consideration to the State Government, recorded as deposits under "Trade and other receivables".

On 8 November 2024, ECAAS made the remaining 50% payment of the purchase consideration to the State Government, and recorded the asset under "Property, plant and equipment".

As at the date of the financial year end, the land has been transferred to ECAAS.

(b) Shareholders Agreement entered into between the Company, Royce Automation Sdn. Bhd. and Cheah Wai Koon

On 27 November 2024, the Company entered into a Shareholders' Agreement ("the Agreement") with the above parties to regulate their respective rights, duties and obligations as the Shareholders vis-à-vis each other in relation to the operation, management, and affairs of ECA Innotech Sdn. Bhd. ("ECAI").

(c) Shareholders' Agreement entered into between the Company, Suzhou Nacotech Co. Ltd. and Zhu Bai Yu

THRYDA is a private company limited by shares incorporated in China on 9 December 2024 and specialises in delivering innovative automation and testing equipment tailored to meet the diverse needs of industries ranging from electronics and manufacturing to automotive and healthcare.

THRYDA is positioned to capitalise on China's rapid industrial growth and the increasing adoption of smart technologies, which are driving a surge in demand for smart automation and testing equipment. THRYDA develops and provides a diverse range of customised solutions, including PCBA, machining parts, sheet metal, sensors, cameras, and controllers, and these offerings are complemented by comprehensive maintenance and upgrading services that enhance client operational efficiency and equipment performance. In view of the foregoing, THRYDA is positioned to meet the needs of key industries such as electronics, automotive, manufacturing, and healthcare while adapting to technological advancements and market changes.

On 20 December 2024, the Company entered into a Shareholders' Agreement ("the Agreement") with the above parties in order to expand its operations into China, by leveraging the expertise of those experienced in the domestic market. This partnership is expected to support growth, innovation, and income diversification for the Group, and may enhance the enlarged Group's overall competitive position in the market.

On 25 August 2025, the Company entered into a share transfer agreement with Zhu Bai Yu to dispose the shares held by the Company. The disposal was completed on 28 August 2025.

On 24 October 2025, the Company issued a notice to terminate the Shareholders' Agreement entered into among the parties and the parties had mutually agreed to the termination.

(d) Termination of Shareholders' Agreement entered into between the Company, Royce Automation Sdn. Bhd. and Cheah Wai Koon, and acquisition of the remaining shares of the subsidiary, ECAI

On 24 October 2025, the Company issued a notice to terminate the Shareholders' Agreement entered into between the Company, Royce Automation Sdn. Bhd. and Cheah Wai Koon, and proposed to acquire all the remaining shares of the subsidiary, ECAI, held by them.

Subsequently on 4 November 2025, the Company completed the termination and acquired remaining shares in ECAI, and ECAI became a wholly owned subsidiary.

Notes to the Financial Statements

31 October 2025

34. Comparative figures

- (a) The comparative figures have been reclassified to conform with the presentation of the current financial year.

	As previously reported RM	Reclassification RM	As restated RM
Group			
Statement of Financial Position			
- Trade receivables	12,892,339	(12,892,339)	-
- Other receivables, deposits and prepayments	5,989,428	(5,989,428)	-
- Trade and other receivables	-	18,881,767	18,881,767
Company			
Statement of Financial Position			
- Other receivables, deposits and prepayments	1,000	(1,000)	-
- Amount due from subsidiaries	12,118,762	(12,118,762)	-
- Trade and other receivables	-	12,119,762	12,119,762
Group			
Statement of Financial Position			
- Trade payables	1,755,910	(1,755,910)	-
- Other payables and accruals	1,144,015	(1,144,015)	-
- Trade and other payables	-	2,899,925	2,899,925
Company			
Statement of Financial Position			
- Other payables and accruals	201,428	(201,428)	-
- Amount due to a subsidiary	100	(100)	-
- Trade and other payables	-	201,528	201,528

- (b) The comparative figures are derived from financial statements audited by a firm of chartered accountants other than Nexia SSY PLT.

Statement by Directors

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

We, Chua Lye Hock and Ooi Chin Siew, being two of the Directors of ECA Integrated Solution Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 73 to 126 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 October 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 13 February 2026.

Chua Lye Hock
Director

Ooi Chin Siew
Director

Statutory Declaration

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

I, Ooi Chin Siew, NRIC: 670310-02-5039, being the Director primarily responsible for the financial management of ECA Integrated Solution Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 73 to 126 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Ooi Chin Siew at Petaling Jaya in the state of Selangor on 13 February 2026.

Ooi Chin Siew
Director

Before me,

Independent Auditors' Report

To the members of ECA Integrated Solution Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ECA Integrated Solution Berhad, which comprise the statements of financial position as at 31 October 2025 of the Group and 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 73 to 126.

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 October 2025, and of their financial performance and their cash flows for the year 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

1. Revenue recognition	How our audit addresses this matter
<p>Refer to Note 3.8 - Material accounting policy information and Note 17 - Revenue</p> <p>We have identified revenue recognition as a key audit matter as there is higher risk of material misstatements from the perspective of timing and amount of revenue recognised based on different contractual arrangements with customers.</p> <p>The revenue recognition from the sale of manufactured goods and distribution depends on the nature of the contractual arrangements with customers and could affect the point of control is transferred and service is rendered to the customers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Evaluated whether the accounting policy adopted by the management is consistent with the requirements of MFRS 15, Revenue from Contracts with Customers; • On sampling basis, we have performed substantive testing to verify that revenue recognition criteria have been properly applied; • Assessed the correct period for revenue recognised by testing cut-off through assessing sales transactions taking place at both sides of the end of reporting period; and • Reviewed credit notes and sales return issued after the reporting period.

Independent Auditors' Report

To the members of ECA Integrated Solution Berhad

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information included in the 2025 Annual Report. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, 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.

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.

Independent Auditors' Report

To the members of ECA Integrated Solution Berhad

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

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

- 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 going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- 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's financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

1. The financial statements of ECA Integrated Solution Berhad for the financial year ended 31 October 2024 were audited by another auditor, who has expressed an unmodified opinion on those statements on 19 February 2025.
2. 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 contents of this report.

Nexia SSY PLT

201906000679 (LLP0019490-LCA) & AF 002009
Chartered Accountants

Michelle Yong Voon Sze

No. 02864/07/2026 J
Chartered Accountant

Shah Alam
13 February 2026