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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Tan Lik Houe
(Non-Independent Non-Executive Chairman)

Tan Jyy Yeen
(Executive Director)

Tan Wye Chuan
(Executive Director)

Dato' Yeo Chai Poh
(Independent Non-Executive Director)

Lim Tock Ooi
(Independent Non-Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Lim Tock Ooi, Chairman
Dato' Yeo Chai Poh, Member
Dato' Tan Lik Houe, Member

REMUNERATION COMMITTEE

Dato' Yeo Chai Poh, Chairman
Lim Tock Ooi, Member
Dato' Tan Lik Houe, Member

NOMINATION COMMITTEE

Lim Tock Ooi, Chairman
Dato' Yeo Chai Poh, Member
Dato' Tan Lik Houe, Member

COMPANY SECRETARIES

Tan Tong Lang
(SSM PC NO. 202208000250 & MAICSA 7045482)

Tan Lay Khoon
(SSM PC NO. 202208000544 & MAICSA 7077867)

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-9770 2200
Fax : +603-2201 7774
Email : boardroom@boardroom.com.my

AUDITORS

HLB LER LUM CHEW PLT

A-23-1, Level 23, Hampshire Place Office
157 Hampshire, No. 1 Jalan Mayang Sari
Off Jalan Tun Razak
50450 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-7890 5588
Email : general@hlblerlumchew.com

PRINCIPLE PLACE OF BUSINESS

Head Office

No. 5-7, Level 5
Menara MBMR
No. 1, Jalan Syed Putra
58000 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-2276 3213
Email : adminsupport@auro.com.my
Website : <https://auro.com.my>

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd

[Registration No. 202101043817 (1444117-M)]
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-9770 2200
Fax : +603-2201 7774
Email : admin@aldpro.com.my

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (Main board)
Stock Name : **AURO**
Stock Code : **5025**

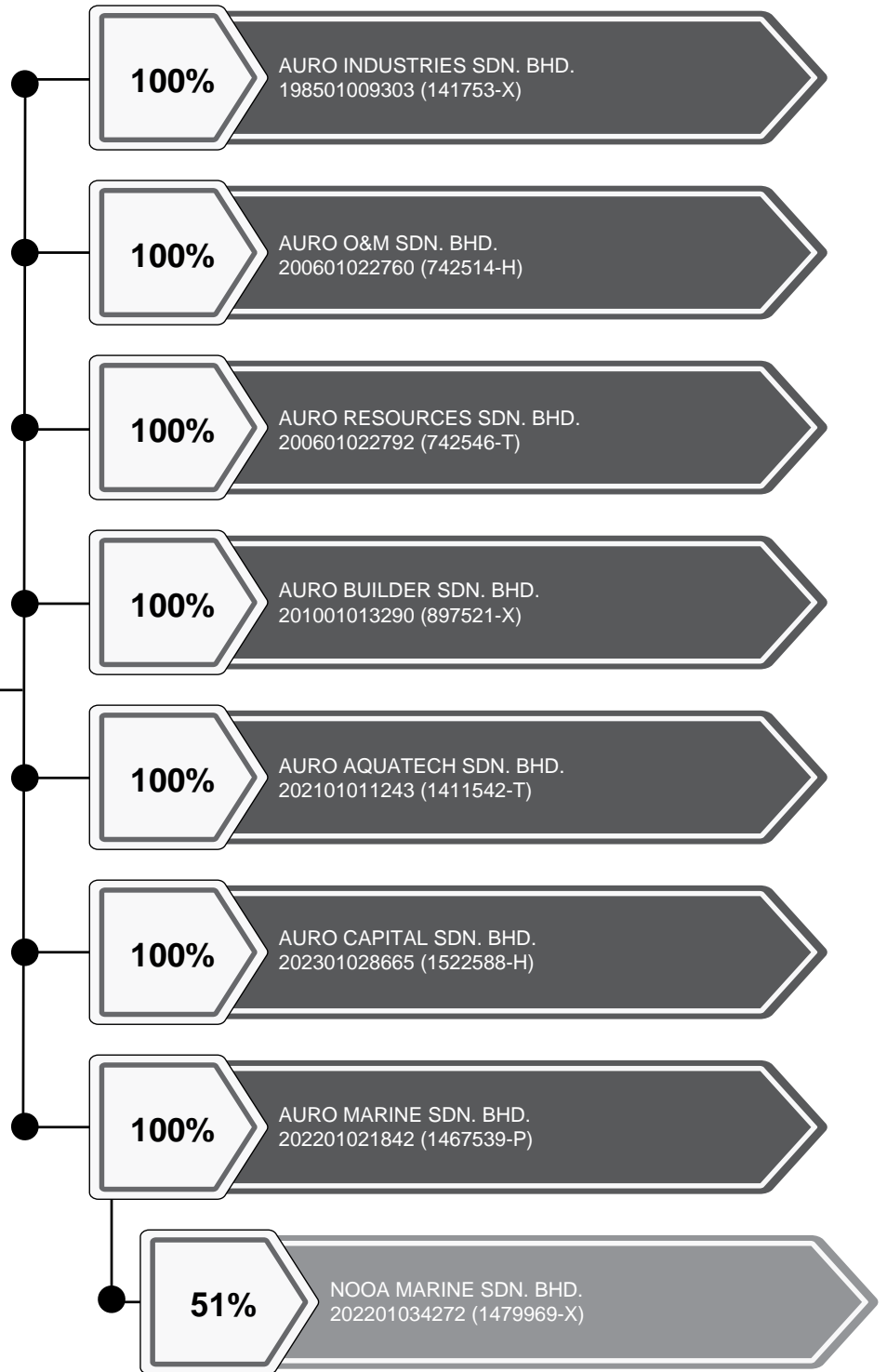
SOLICITORS

Messrs. Amerbon

D3-5-1 Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur

GROUP STRUCTURE

AURO Holdings Berhad
[Registration No. 199901020576 (495476-M)]



PROFILE OF DIRECTORS

DATO' TAN LIK HOUE

(Non-Independent
Non-Executive Chairman)

Age 64 | Male | Malaysian

Committee Roles:

- Member, Audit and Risk Management Committee
- Member, Nomination Committee
- Member, Remuneration Committee

Appointment History:

- Appointed as Non-Independent Non-Executive Director on 21 March 2022
- Re-designated as Non-Independent Non-Executive Chairman on 6 July 2022

Dato' Tan began his career in 1982 as a petrol station assistant. Over the years, he expanded his involvement in the petroleum business and established his own petrol stations in the 1990s. With four decades of industry experience, he has acquired extensive knowledge and expertise in the petroleum sector. Under his leadership, his companies manage and operate approximately 20 petrol stations across Kuala Lumpur, Selangor, Perak, and Pahang. Currently, he serves as the Managing Director of Melati Astana Sdn Bhd and Seng Lee Huat Petroleum Sdn Bhd.

He does not hold directorships in any other public companies or public listed companies apart from Auro Holdings Berhad.

He is the father of Ms. Tan Jyy Yeen and Mr. Tan Wye Chuan, both Executive Directors of the Company.

He has no conflict of interest or potential conflict of interest with the Company or the subsidiaries and has no convictions for offences within the past five (5) years, except for traffic-related offences, if any. He has not been subjected to any public sanction or penalty by regulatory authorities during the financial year ended 28 February 2025.

TAN JYY YEEN

(Executive Director)

Age 31 | Female | Malaysian

Appointment Date:

- 21 March 2022

Ms. Tan graduated from the University of Manchester where she obtained a First Class Honours Degree in Economics & Business Studies. Upon completion of her studies, she embarked on her professional journey as a Management Associate at Plato Capital Ltd. Her role primarily involved assessing and executing investment opportunities, with a focus on sectors such as hospitality, education, and real estate. Following her tenure at Plato Capital Ltd., she ventured into entrepreneurship and co-founded several businesses in the healthcare and fashion industry.

She does not hold directorships in any other public companies or public listed companies apart from Auro Holdings Berhad.

She is the daughter of Dato' Tan Lik Houe and the sister of Mr. Tan Wye Chuan.

She has no conflict of interest or potential conflict of interest with the Company or the subsidiaries and has no convictions for offences within the past five (5) years, except for traffic-related offences, if any. She has not been subjected to any public sanction or penalty by regulatory authorities during the financial year ended 28 February 2025.

PROFILE OF DIRECTORS (CONT'D)

TAN WYE CHUAN (Executive Director)

Age 41 | Male | Malaysian

Appointment Date:

- 6 July 2022

Mr. Tan pursued his higher education at RMIT University in Melbourne, Australia, where he obtained a Bachelor of Arts degree with a specialization in Multimedia. After completing his studies, he ventured into entrepreneurship and co-founded several businesses in the hospitality industry.

He is currently the Executive Director of Fast Energy Holdings Berhad.

He is the son of Dato' Tan Lik Houe and the brother of Ms. Tan Jyy Yeen.

He has no conflict of interest or potential conflict of interest with the Company or the subsidiaries and has no convictions for offences within the past five (5) years, except for traffic-related offences, if any. He has not been subjected to any public sanction or penalty by regulatory authorities during the financial year ended 28 February 2025.

DATO' YEO CHAI POH (Independent Non-Executive Director)

Age 48 | Male | Malaysian

Committee Roles:

- Chairman, Remuneration Committee
- Member, Audit and Risk Management Committee
- Member, Nomination Committee

Appointment Date:

- 21 March 2022

Dato' Yeo embarked on his business venture in the Real Estate Agency industry in 2011. Subsequently, in 2013, he founded Unison Brother Sister Property Advisor Sdn Bhd. He is widely recognized as the founder of the 168 GROUP, a prominent organization in the real estate sector. Throughout his career, he has received numerous awards and accolades for his exceptional contributions to industry.

He does not hold directorships in any other public companies or public listed companies apart from Auro Holdings Berhad.

He has no family relationship with any other Director and/or major shareholder of the Company.

He has no conflict of interest or potential conflict of interest with the Company or the subsidiaries and has no convictions for offences within the past five (5) years, except for traffic-related offences, if any. He has not been subjected to any public sanction or penalty by regulatory authorities during the financial year ended 28 February 2025.

PROFILE OF DIRECTORS (CONT'D)

LIM TOCK OOI

(Independent Non-Executive Director)

Age 78 | Male | Malaysian

Committee Roles:

- Chairman, Audit and Risk Management Committee
- Chairman, Nomination Committee
- Member, Remuneration Committee

Appointment Date:

- 6 July 2022

Mr. Lim graduated with a Bachelor of Economics degree from the University of New England, Australia. He then pursued his professional qualification as a Chartered Accountant while working for an international firm of chartered accountants in Sydney, Australia. He continued his career in chartered accountancy while working for one of the big four accounting firms upon returning to Malaysia in 1976. In the year 1980, he started his accounting practice under the name of Michael Lim & Co. now known as Michael Lim & Co PLT and is currently the advisor and a partner of the firm.

He is a Fellow member of the Institute of Chartered Accountants of Australia and New Zealand, and a member of both the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. Additionally, he is a Fellow member of the Malaysian Institute of Taxation.

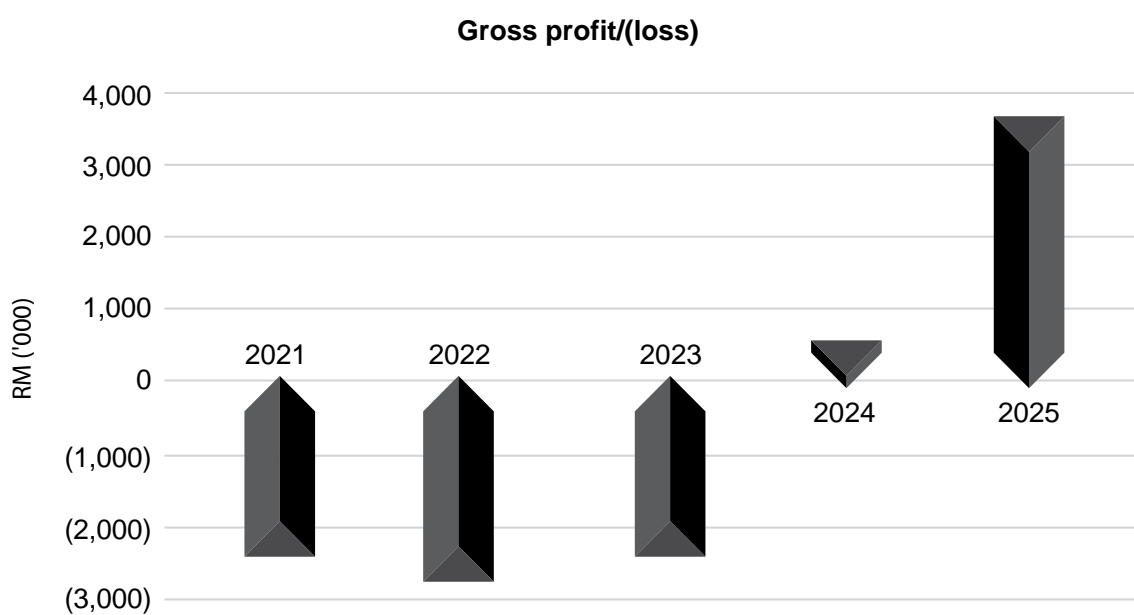
He does not hold directorships in any other public companies or public listed companies apart from Auro Holdings Berhad.

He has no family relationship with any other Director and/or major shareholder of the Company.

He has no conflict of interest or potential conflict of interest with the Company or the subsidiaries and has no convictions for offences within the past five (5) years, except for traffic-related offences, if any. He has not been subjected to any public sanction or penalty by regulatory authorities during the financial year ended 28 February 2025.

GROUP FINANCIAL HIGHLIGHTS

	2021 RM ('000)	2022 RM ('000)	2023 RM ('000)	2024 RM ('000)	2025 RM ('000)
Revenue	8,089	3,229	2,627	6,953	18,918
Gross profit/(loss)	(2,312)	(2,907)	(2,313)	187	3,642
Loss before taxation	(10,692)	(17,354)	(5,654)	(2,014)	(7,842)
Loss after taxation	(10,692)	(17,354)	(5,654)	(2,014)	(7,721)
Loss per share (sen)	(2.44)	(3.37)	(1.04)	(0.35)	(1.28)
Net Assets	30,504	21,851	27,556	25,541	25,296



MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

HIGHLIGHTS OF 2025

Auro Holdings Berhad (“the Group”) had diversified from its core business of manufacturing timber wood products to the food and beverage (“F&B”) sector. While the timber business remained operational, that business segment faced continued market challenges, including rising production costs due to inflationary pressures, increasingly stringent environmental regulations, heightened competition from lower-cost timber-producing countries and volatile demand in key markets. These challenges have compressed profit margins and strained operational efficiency, prompting the Group to seek growth opportunities in more resilient industries.

Recognising the robust demand and higher profit potential of the F&B sector, the Group entered into a franchise agreement with HK Heycha to operate retail stores under the internationally recognised “HEYTEA” brand. This venture specialises in premium beverages such as fruit tea, coffee, and cheese tea, along with packaged snacks and related products. The Group opened its first and flagship HEYTEA outlet in The Exchange TRX in December 2023 and have been focused on F&B business expansion for the financial year ended 28 February 2025.

OPERATIONS REVIEW

Financial Results

The Group recorded revenue of RM18.92 million for the financial year ended 28 February 2025 (“FYE 2025”), which was a significant increase from RM6.95 million for the previous financial year ended 29 February 2024 (“FYE 2024”). The F&B segment contributed about RM17.63 million or 93% of the total group revenue for FYE 2025.

In contrast, the timber division experienced a decline, generating RM1.29 million in revenue during FYE 2025 compared to RM2.14 million in the prior year. The decrease was largely due to ongoing macroeconomic uncertainties and subdued demand in the sector. Taking into consideration all the challenges faced by the timber segment, the timber business will be downsized and overhead costs minimised.

Gross profit improved significantly from RM0.19 million in FYE 2024 to RM3.64 million in FYE 2025, reflecting the higher margins achievable in the F&B industry. Despite higher revenue in FYE 2025, the Group recorded a loss before taxation of RM7.84 million compared to RM2.01 million in FYE 2024. This increased loss was primarily attributable to one off tax penalty of RM 2.35 million arising from the transfer pricing audit imposed by the Malaysian Inland Revenue and pre-operational expenses linked to the F&B expansion, including store setup costs, initial marketing investments and franchise related expenditures.

Liquidity and Capital Resources

In FYE 2025, the Group maintained a stable liquidity position, with cash reserves increasing to RM0.79 million compared to RM0.35 million in FYE 2024. This improvement reflects the successful capital raising efforts and initial cash flows from the newly established F&B operations. The prior year's lower cash position was primarily attributable to upfront investments in the F&B expansion, such as store fit-outs and equipment purchases.

While there are significant capital outlays involved in the F&B business, management remains vigilant in its cash flow optimisation strategies. The focus includes rigorous working capital management, prudent expenditure controls, and strategic timing of opening each new HEYTEA outlet. These measures aim to ensure sufficient liquidity buffers are maintained to support both ongoing operations and future growth initiatives.

To support the F&B business expansion, the Group raised RM7.48 million through a series of private placement exercises during the FYE 2025. The funds raised have been allocated for the working capital in its F&B operations.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)

Business Overview

The Group's strategic expansion into the F&B sector marks a pivotal shift in its business model, providing a stable and high-growth revenue stream that counterbalances the challenges faced by its traditional timber operations. The Group currently has nine successful HEYTEA outlets across high traffic locations in Klang Valley, Pahang and Penang that include premier shopping destinations like TRX Mall, Mid Valley Megamall, 1 Utama, Sunway Pyramid and Gurney Plaza. These outlet locations were strategically selected for maximum visibility and accessibility, catering to both local consumers and tourists in order to drive robust sales.

These current outlets lay a solid foundation for the brand to be enhanced through targeted marketing campaigns and customer engagement strategies aimed at fostering loyalty and repeat business. With domestic demand and rise in tourist arrivals expected to drive the hospitality industry, the Group is well poised to ride the wave of growth in its F&B business.

Risk Factors

There is always the risk of increased competition from new entrants and even established competitors in the F&B space. With low barriers to entry, new competitors may be attracted by the brand's success which will pose a threat to the Group's market share and profitability. New entrants may be able to leverage innovative strategies, technologies or unique offerings to attract customers. Established F&B players in the industry may leverage existing industry experience and knowledge to compete with the Group's operations.

Inflationary pressures is another risk factor as the F&B products offered by the Group are classified as discretionary expenditure. Rising costs of living and higher prices of essential goods may force consumers to cut unnecessary spending on premium beverage items such as fruit teas and cheese teas offered under the HEYTEA brand. Nevertheless, Malaysia's domestic economy showed strong GDP growth of 5.1% expansion in 2024 compared to 3.7% in the year 2023. As such, Management is optimistic that this will expand the entire F&B sector to benefit everyone.

DIVIDENDS

Given the Company's ongoing financial losses, the Board of Directors had not proposed any dividends for the financial year ended 28 February 2025 to conserve cash reserves. Its aim will be to enhance financial stability and support future operational requirements at this juncture.

PROSPECTS

The Group will continue to streamline its moulding and timber business and focus efforts on controlling overhead costs as well as growing orders from the existing and new customers. For the long-term goals, the Group remains open to exploring new opportunities within the F&B sector, including potential acquisitions or partnerships that align with its strategic goals.

The Board remains committed to pursuing opportunities that enhance shareholder value while ensuring the Group's resilience in a dynamic and competitive business environment.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)



HEYTEA outlets view at TRX, Sky Avenue, Sunway Pyramid and Sunway Velocity

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Auro Holdings Berhad (“**Auro**” or “**the Company**”) remains firmly committed to upholding the highest standards of corporate governance across the Company and its subsidiaries (“**the Group**”) to safeguard shareholders’ investments and to protect the interests of all stakeholders.

The Board continuously reviews and enhances the Group’s corporate governance framework, practices, and processes to ensure they remain aligned with the principles and best practices outlined in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”). The Board strives to uphold transparency, integrity, and accountability in all aspects of the Group’s operations.

This statement has been prepared in accordance with the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the financial year ended 28 February 2025. It should be read in conjunction with the Corporate Governance Report 2024 (“**CG Report**”), which is available on the Company’s corporate website at www.auro.com.my.

The Company’s corporate governance framework is structured around the following three key principles as outlined in the MCCG:

Principle A: Board Leadership and Effectiveness

Principle B: Effective Audit and Risk Management

Principle C: Integrity in Corporate Reporting and Meaningful Relationships with Stakeholders

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 - BOARD RESPONSIBILITIES

1.1 Roles and Duties of the Board

The Board of Directors is collectively responsible for driving the Company’s long-term growth and delivering sustainable value to stakeholders. It governs and sets the Company’s strategic direction, ensures ethical leadership, and maintains effective oversight of management.

Recognising the increasing complexity of the business landscape, the Board now exercises enhanced vigilance and professional scepticism in shaping strategy. Central to its role is the integration of sustainability and ESG (Environmental, Social, and Governance) considerations into corporate strategy, risk management, and decision-making, acknowledging their critical role in long-term resilience and stakeholder trust.

Key responsibilities of the Board include:

- Upholding high standards of corporate governance;
- Setting strategic plans and reviewing them regularly;
- Defining corporate values and ensuring stakeholder obligations are met;
- Overseeing business conduct and performance;
- Identifying key risks and ensuring effective risk management systems; and
- Reviewing the adequacy and integrity of the internal control and compliance framework.

To support its oversight responsibilities, the Board is assisted by three key committees (*collectively referred as “**Board Committees**”*):

- a) Audit and Risk Management Committee (“**ARMC**”)
- b) Nomination Committee (“**NC**”)
- c) Remuneration Committee (“**RC**”)

Each committee operates under the approved Terms of Reference (“**TOR**”), which are available on the Company’s website at www.auro.com.my. These committees are actively engaged in governance matters, evaluating key issues and providing recommendations to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

While the committees help streamline governance and decision-making including areas related to ESG risk and compliance, the Board remains ultimately accountable for all decisions. Additional committees may be formed as and when it is needed to support the Board's oversight of strategic and sustainability objectives.

1.2 Qualified and Competent Company Secretaries

In line with Practice 1.5 of the MCCG, the Board is supported by two (2) qualified External Company Secretaries, both of whom are authorised under Section 235 of the Companies Act 2016. They play a vital advisory role, supporting the Board in fulfilling its fiduciary and stewardship responsibilities by ensuring compliance with the Company's Constitution, Board policies and procedures, as well as all relevant regulatory requirements and corporate governance standards.

The Company Secretaries provide timely guidance on statutory and regulatory updates that impact the Board's decision-making and directors' duties. They are responsible for ensuring the proper documentation of deliberations and resolutions of Board and Committee meetings.

The Board has full and unrestricted access to the advice and services of the Company Secretaries, who are considered competent in carrying out their responsibilities. Directors may also directly engage with management or request additional information and clarification on matters concerning the Group's operations. The Board is satisfied with the performance and professional support provided by the Company Secretaries in discharging their roles effectively.

1.3 Access to Information and Advice

To facilitate informed and effective decision-making, all Directors are provided with notices of meetings including details of the venue, date, time, agenda, and relevant Board papers at least seven (7) days in advance. This ensures adequate preparation time for meaningful participation and discussion during meetings. Deliberations, including matters discussed and resolutions passed, are accurately recorded in the minutes by the Company Secretaries.

Board members receive regular and timely updates on financial performance, regulatory matters, audit reports, and other key issues via comprehensive Board papers. They also have direct access to the Company Secretaries, who ensure proper meeting procedures and compliance with statutory and governance requirements.

Where necessary, the Board invites external advisers to provide independent insights on specialised matters, and senior management is called upon to share updates on the Group's business operations. The Chairmen of each Board Committee report key deliberations and decisions to the full Board.

Directors, whether individually or collectively, may seek independent professional advice including input from internal or external auditors at the Company's expense, subject to the approval of the Board Chairman and provided that the scope and cost are deemed reasonable. This ensures that the Board is equipped with sufficient information and expert advice to discharge its duties responsibly and effectively.

1.4 Chairman of the Board & Separation of Positions of the Chairman and Executive Directors

The Chairman of the Board, Dato' Tan Lik Houe, provides leadership and direction to the Board, focusing on setting strategic objectives and promoting high standards of corporate governance across the Group to safeguard the interests of shareholders and stakeholders.

In line with good governance practices, the roles of the Chairman and the Executive Directors are held by separate individuals. This clear division of responsibilities, as outlined in the Board Charter, ensures a proper balance of authority and promotes effective oversight. Separation of roles avoids the concentration of power and supports the Board's ability to function independently and objectively.

The specific roles and responsibilities of each Board member are defined in the Board Charter, providing clarity and structure in the discharge of their respective duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

1.5 Chairman of the Board should not be a member of the Board Committees

According to Practice 1.4 of the MCCG, the Chairman of the Board should not be a member of any Board Committees to avoid potential conflicts and preserve objectivity in deliberations.

Currently, the Chairman, Dato' Tan Lik Houe, serves as a member of all the Board Committees. The Board acknowledges that this arrangement may give rise to a risk of self-review and could affect the Chairman's objectivity in considering recommendations made by these Board Committees.

While the Board believes that, with the presence of another two (2) Independent Directors on each of these Board Committees provides adequate oversight and maintains objectivity in discussions, it remains committed to upholding best governance practices. As such, the Board intends to revisit the composition of the Board Committees and will consider restructuring them to align with Practice 1.4 of the MCCG when additional Independent Directors are appointed.

1.6 Board Charter

To enhance governance practices, the Board has adopted a Board Charter that outlines its composition, roles, responsibilities, and operational processes. This Board Charter serves as a guiding document for the Board's conduct and decision-making framework. The full Board Charter is accessible on the Company's website at www.auro.com.my.

GOOD BUSINESS CONDUCT AND CORPORATE CULTURE

1.7 Code of Conduct and Ethics

The Board is committed to fostering a strong corporate culture grounded in ethical behaviour and integrity. The Group's Code of Conduct and Ethics sets out the standards expected of all Directors and employees, offering guidance on ethical decision-making and highlighting areas requiring diligence to mitigate risks. This Code underscores the Group's proactive efforts to enhance corporate value. Further details are available on the Company's website at www.auro.com.my.

1.8 Whistle Blower Policy

The Company has in place a Whistleblower Policy that provides a secure and confidential channel for employees and stakeholders to raise genuine concerns regarding misconduct, non-compliance with laws and regulations, or unethical practices. This Policy reinforces the Group's commitment to transparency and accountability. More information is available on the Company's website at www.auro.com.my.

1.9 Anti-Bribery and Anti-Corruption Policy

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2018, the Group has adopted an Anti-Bribery and Anti-Corruption Policy. This Policy is designed to prevent bribery and corruption across the Group's operations and affirms the Group's zero-tolerance stance on such practices. It outlines clear expectations for compliance and ethical conduct. Full details are available on the Company's website at www.auro.com.my.

1.10 Directors' Fit and Proper Policy

To ensure effective leadership, the Group has implemented a Directors' Fit and Proper Policy. This Policy establishes a framework for the appointment and re-appointment of Directors based on criteria such as integrity, competency, experience, and commitment. It also serves as a reference for the Nomination Committee in assessing the suitability of candidates. The Policy can be viewed on the Company's website at www.auro.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

1.11 Sustainability Management

The Board and Management recognise the importance of integrating sustainability into the Group's strategic agenda. Their commitment extends across environmental, health and safety, social, and governance domains. Further details on the Company's sustainability approach and initiatives are provided in the Corporate Sustainability Statement on pages 29 to 64 of this Annual Report.

PART 2 - BOARD COMPOSITION

2.1 Composition of the Board

The Board is committed to maintaining a composition that aligns with the diversity recommendations set out in the MCCG, while ensuring an optimal mix of skills, experience, and perspectives necessary to guide the Group towards its strategic goals.

As at the date of this Annual Report, the Board comprises five (5) members as follows:

- One (1) Non-Independent Non-Executive Chairman;
- Two (2) Executive Directors; and
- Two (2) Independent Non-Executive Directors.

This composition complies with the MMLR of Bursa Securities, which stipulate that at least two (2) or one-third (1/3) of the Board members, whichever is higher, must be independent. Should any vacancy arise that results in non-compliance with Paragraph 15.02 of the MMLR, the Company will take the necessary steps to fill the vacancy within three (3) months.

The current Board structure offers a strong balance of industry-specific knowledge, strategic acumen, financial expertise, and independent judgement. The Directors bring diverse professional backgrounds and experiences, which enhances the Board's ability to provide effective oversight and strategic direction.

Furthermore, currently, there is one (1) female director on Board, which meets the mandatory requirement under the MMLR for listed issuers to have at least one (1) female Director.

2.2 Tenure of Independent Directors

In line with the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If the board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Meanwhile, pursuant to the MMLR, the tenure of an independent director could not more than a cumulative tenure of twelve (12) years in a listed issuer and its group of companies. If the Board proposes to retain an Independent Director beyond twelve (12) years without observing the required three-year cooling-off period, the Company must provide a detailed justification and disclose the rationale in the notice of the Annual General Meeting ("AGM").

Alternatively, an Independent Director may also be re-designated as a Non-Independent Director. The NC and the Board must conduct a rigorous assessment to determine the continued independence, character, and contribution of the Director, taking into account the need for board refreshment and diversity.

As of the date of this Statement, none of the Independent Directors have served more than nine (9) consecutive years. The Board Charter permits Independent Directors to continue as Non-Independent Directors, subject to NC assessment and shareholders' approval via the two-tier voting mechanism.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2.3 Diverse Board and Senior Management Team

Appointments to the Board and Senior Management are based on merit, with due consideration given to diversity in skills, experience, age, background, gender, and ethnicity, as part of the Group's commitment to sound corporate governance practices.

The NC is responsible for evaluating the suitability of candidates for Board and Senior Management positions. The evaluation considers the following factors:

- Skills, knowledge, expertise, and experience;
- Integrity, professionalism, and character;
- Ability and commitment to fulfil responsibilities effectively; and
- For Independent Directors, compliance with independence criteria under the MMLR and their time commitment.

The Board recognises that a diverse leadership team enhances performance, decision-making, and stakeholder confidence.

2.4 Re-election and Re-appointment of Directors

All new appointments to the Board are deliberated by the full Board based on recommendations from the NC. The NC adopts a robust selection process, which may include referrals from directors' registries, public advertisements, or engagement of independent search firms.

In evaluating potential candidates, the NC considers:

- Relevant experience, knowledge, and professional qualifications;
- Personal integrity and ethical behaviour;
- Capability to devote sufficient time to the role; and
- For Independent Directors, the ability to exercise sound judgement independently of management.

In accordance with the Company's Constitution, one-third (1/3) of the Directors are subject to retirement by rotation at each AGM and are eligible for re-election. Additionally, any Director appointed during the financial year is required to retire and seek re-election at the next AGM.

2.5 Audit and Risk Management Committee

Details of the composition, roles, and activities undertaken by the ARMC during the financial year are provided in the ARMC Report on pages 22 to 24 of this Annual Report.

2.6 Nomination Committee

In line with the recommendations of the MCCG, the NC is composed entirely of Non-Executive Directors. The NC is tasked with assessing the Board's composition, evaluating the performance and suitability of individual Directors, and recommending appointments that align with the Group's strategic direction.

As at the date of this Corporate Governance Overview Statement, the composition and attendance of NC members are as follows:

	Attendance
Chairman : Lim Tock Ooi (<i>Independent Non-Executive Director</i>)	1/1
Member : Dato' Yeo Chai Poh (<i>Independent Non-Executive Director</i>)	1/1
Dato' Tan Lik Houe (<i>Non-Independent Non-Executive Chairman</i>)	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The NC meets at least once a year or as deemed necessary, according to the NC Terms of Reference.

The summary of activities undertaken by the NC during the financial year included the following:

- a) Reviewed the effectiveness of the Board, as a whole, Board Committees and individual Directors and make appropriate recommendation to the Board;
- b) Reviewed the independency of the independent directors; and
- c) Reviewed and recommended the re-election of Directors at the forthcoming AGM in accordance with the Company's Constitution.

2.7 Remuneration Committee

In accordance with the MCCG's best practices, the Board has established a RC consisting entirely of Non-Executive Directors. The RC is responsible for reviewing and recommending the remuneration packages of Executive Directors, as well as the fees and benefits of Independent Non-Executive Directors.

As of the date of this Statement, the RC members and their attendance in the RC meeting are as follows:

	Attendance
Chairman : Dato' Yeo Chai Poh (<i>Independent Non-Executive Director</i>)	1/1
Member : Lim Tock Ooi (<i>Independent Non-Executive Director</i>)	1/1
Dato' Tan Lik Houe (<i>Non-Independent Non-Executive Chairman</i>)	1/1

The RC meets at least once a year or as deemed necessary, according to the RC Terms of Reference.

When evaluating remuneration, the RC considers the roles, responsibilities, performance, and contributions of Executive Directors. However, the final approval of all remuneration matters lies with the full Board. Executive Directors do not participate in any discussion or decision pertaining to their own remuneration.

During the financial year under review, the summary of activities undertaken by the RC included the following:

- a) Reviewed and recommended the payment of Directors' fees to the Directors; and
- b) Reviewed and recommended the payment of Directors' benefits to the Directors.

OVERALL BOARD EFFECTIVENESS

2.8 Annual Evaluation

The Board's effectiveness is assessed annually through a comprehensive evaluation of several key areas, including:

- Roles and responsibilities
- Board and Committee composition
- Directors' attendance and participation in meetings
- Quality and value of contributions
- Individual Directors' commitment and special contributions
- Board Committees are evaluated based on their structure, processes, accountability, responsibilities, and the performance of their respective Chairpersons.

Based on the latest annual evaluation, the NC was satisfied with the overall effectiveness of the Board and its Committees. It concluded that each Director demonstrated the appropriate level of competence, professionalism, and commitment necessary to discharge their responsibilities effectively. The NC was also satisfied with the current Board composition and recommended the re-election of Directors retiring at the forthcoming AGM. All evaluations and assessments conducted were properly documented.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2.9 Board Meetings and Attendance

During the financial year, the Board convened five (5) meetings. The attendance record of each Director is as follows:

Name of Directors	Attendance	Percentage of Attendance
(a) Dato' Tan Lik Houe	5/5	100%
(b) Tan Jyy Yeen	5/5	100%
(c) Tan Wye Chuan	5/5	100%
(d) Dato' Yeo Chai Poh	5/5	100%
(e) Lim Tock Ooi	5/5	100%

All Directors have achieved 100% attendance during the financial year, which complied with Paragraph 15.05 of the MMLR of the Bursa Securities.

The Board meets quarterly to review operational and financial performance, committee reports, and other key matters affecting the Group. Special Board meetings may be convened by the Company Secretaries upon consultation with the Chairman if urgent decisions are required between regular meetings. Circular resolutions are also employed where necessary to expedite Board decisions.

At the conclusion of each Board and Board Committees meeting, the date of the next meeting is scheduled to ensure maximum attendance. The Board is satisfied with the time and commitment shown by each Director in fulfilling their fiduciary duties.

2.10 Directors' Training

Programmes and seminars attended by the Directors, collectively or individually, during the financial year under review were as follows: -

Name of Director	Seminars/Conferences/Training Programmes Attended	Number of hours/day(s) spent
Dato' Tan Lik Houe	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	2 days
Ms. Tan Jyy Yeen	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	2 days
Mr. Tan Wye Chuan	Vistage Chief Executive Training Program	12 days (1 day per month for consecutive 12 months)
	E-Invoicing Full Day Workshop	1 day
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	2 days
Dato' Yeo Chai Poh	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	2 days
Mr. Lim Tock Ooi	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	2 days
	MIA webinar series: Audit Procedures (Part 1) – Audit Sampling and Test of Details	1 day

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Board remains committed to the continuous development of its members and will regularly assess and identify the training needs of each Director. This ensures that they remain well-versed in relevant new laws, regulations, and best practices in corporate governance and risk management, enabling them to effectively discharge their fiduciary duties.

Furthermore, Directors are kept informed of the latest statutory and regulatory developments through briefings provided by External Auditors, Internal Auditors, and the Company Secretary during Board and Board Committee meetings.

PART 3 – REMUNERATION

3.1 Directors' Remuneration

The Board is committed to ensuring that the Directors' remuneration is transparent, fair, and aligned with the Company's performance and strategic objectives. In accordance with best governance practices, Directors abstain from deliberating and voting on matters relating to their own remuneration.

Each year, the Board proposes the fees for Non-Executive Directors for shareholders' approval at the AGM.

The summary of the Directors' remuneration, comprising fees and other emoluments received by Executive and Non-Executive Directors during the financial year, is as follows:

Directors	Fees (RM)	Company Salaries and other emoluments (RM)	Fees (RM)	Group Salaries and other emoluments (RM)
<u>Executive Directors</u>				
Tan Jyy Yeen	-	202,856	-	349,715
Tan Wye Chuan	-	202,856	-	202,856
<u>Non-Executive Director</u>				
Dato' Tan Lik Houe	22,200	-	22,200	-
Dato' Yeo Chai Poh	22,200	-	22,200	-
Lim Tock Ooi	22,200	-	22,200	-
Total	66,600	405,712	66,600	552,571

3.2 Remuneration of Senior Management

The Board acknowledges the importance of transparency in disclosing the remuneration of senior management. However, in view of the competitive nature of the human resource environment in which the Group operates, the Board is of the opinion that detailed disclosure of senior management's remuneration may be commercially sensitive and could adversely affect the Group's ability to attract and retain talent.

The Board ensures that the remuneration of senior management is fair and commensurate with their roles, responsibilities, and performance. The remuneration framework is structured to motivate, attract, and retain key personnel with the required expertise, experience, and leadership capabilities to drive the Group's success.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

4.1 Audit and Risk Management Committee

The ARMC comprises three (3) members: two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Chairman. The ARMC is chaired by Mr. Lim Tock Ooi, an Independent Non-Executive Director.

The ARMC plays a crucial role in assisting the Board in discharging its oversight responsibilities, particularly in the following areas:

- Review of the audit plans and audit reports
- Monitoring the effectiveness of the internal control and risk management systems
- Oversight of the internal audit function
- Evaluation of related party transactions
- Assessment of accounting and reporting practices

The ARMC's Terms of Reference, list of members, and summary of activities undertaken during the financial year are detailed in the ARMC Report on pages 22 to 24 of this Annual Report. The full TOR is also accessible via the Company's website at www.auro.com.my.

4.2 Assessment on Suitability and Independence of External Auditors

The ARMC conducts an annual assessment of the external auditors to ensure their continued suitability and independence. The assessment criteria include:

- Adequacy of experience, expertise, and resources
- Nature and extent of non-audit services rendered, including associated fees
- Objectivity and independence from the Group

For the financial year under review, the ARMC assessed the independence of the external auditors, Messrs. HLB Ler Lum Chew PLT, and based on the outcome, ARMC is satisfied with the external auditors' performance. As a result, the ARMC recommended their re-appointment as external auditors for the financial year ending 28 February 2025.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

4.3 Establishment of Risk Management and Internal Control Framework

The Board is responsible for maintaining a robust and effective system of internal control and risk management to safeguard shareholders' investments and the Company's assets. The framework encompasses financial, operational, and compliance controls, as well as risk management practices.

With the assistance of an external professional internal audit firm, the Board continuously monitors and enhances the existing risk management framework to formalise risk governance across the Group's business operations. This approach supports the ARMC and the Board in improving operational efficiency and adhering to best practices.

The risk management process includes identifying and evaluating key business risks, assessing their impact on strategic objectives, and implementing appropriate mitigation measures.

4.4 Internal Audit Function

The Group's internal audit function is outsourced to an independent professional firm to ensure objectivity and independence in the review of the Group's internal control system.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The primary role of the internal audit function is to conduct systematic reviews of:

- Internal control effectiveness
- Risk management practices
- Compliance with established policies and procedures

The internal auditors report directly to the ARMC and operate under an annual audit plan that is reviewed and approved by the ARMC. This alignment ensures that the audit activities are in line with the ARMC expectations and priorities.

Details of internal audit activities carried out during the financial year are provided in the ARMC Report of this Annual Report 2025.

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

5.1 COMMUNICATION WITH STAKEHOLDERS

The Company remains fully committed to fostering continuous, effective, and transparent communication with its stakeholders. The Board recognises that timely dissemination of relevant, accurate, and material information is critical in maintaining stakeholders' confidence and trust.

To uphold transparency and accountability, the Company adopts multiple communication channels to share updates on financial performance, corporate developments, governance policies, and environmental, social and governance (ESG) matters. The communication methods include:

a. Bursa Securities

The Company ensures timely announcements of all material developments including corporate exercises and updates on significant events via Bursa LINK. These announcements are accessible to shareholders and the public through the Bursa Malaysia website.

b. General telephone, fax, email address and direct message via website

Stakeholders can engage with the Company through various platforms:

- **Telephone & Fax** – The Company's general contact numbers are made available for enquiries.
- **Email** – Stakeholders may send their queries to the Company's dedicated email address: adminsupport@auro.com.my.
- **Website Messaging** – An online enquiry form titled "Email Us" is available in the "Contact Us" section of the Company's official website at www.auro.com.my, enabling stakeholders to submit messages directly and promptly.

These channels support two-way communication and provide stakeholders with convenient access to corporate information and support.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

CONDUCT OF GENERAL MEETINGS

Annual General Meeting

The Company regards the AGM as an important platform for dialogue between the Board and shareholders. In line with good corporate governance practices, the notice of the 24th AGM was issued 28 days in advance of the meeting held on 28 August 2024, exceeding the minimum notice period required.

In compliance with Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions proposed at general meetings are voted by way of poll. An independent scrutineer is appointed to validate the results of the poll to ensure transparency and fairness.

During the general meetings, shareholders were provided with the opportunity to:

- Ask questions and seek clarifications from the Board and Management
- Offer feedback and suggestions for corporate improvement
- Participate in the live polling session to cast votes on all resolutions

The Chairman, together with the Executive Directors, responded to shareholders' queries and comments, reinforcing the Company's commitment to stakeholder engagement and accountability.

COMPLIANCE STATEMENT

The Board is of the opinion that the Group has, throughout the financial year under review, upheld adequate corporate governance practices and remains fully committed to achieving and maintaining the highest standards. The Group continues to adopt and implement the principles and best practices outlined in the MCCG and other relevant regulatory requirements, where appropriate.

This Statement was reviewed and approved by the Board on 25 June 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Auro Holdings Berhad (“**the Board**”) is pleased to present the Audit and Risk Management Committee (“**ARMC**”) Report for the financial year ended 28 February 2025 (“**FYE 2025**”).

The ARMC plays a crucial role in supporting the Board’s oversight responsibilities, particularly in matters relating to financial reporting, risk management, internal controls, and audit functions. The ARMC also acts as a key communication platform between the Board, external and internal auditors, and management, fostering transparency and independence in oversight.

COMPOSITION OF THE ARMC

As at FYE 2025, the ARMC comprised the following members:

Name	Position	Designation
Lim Tock Ooi	Chairman	Independent Non-Executive Director
Dato’ Yeo Chai Poh	Member	Independent Non-Executive Director
Dato’ Tan Lik Houe	Member	Non-Independent Non-Executive Chairman

The ARMC consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Chairman. This composition complies with Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”), as the ARMC Chairman, Mr. Lim Tock Ooi, is a member of the Malaysian Institute of Accountants.

Additionally, the Company complies with Paragraph 15.09(2) of the MMLR, which prohibits alternate directors from being appointed to the ARMC.

All ARMC members possess relevant financial and accounting expertise and have discharged their responsibilities in accordance with the Committee’s Terms of Reference (“**TOR**”).

INDEPENDENCE OF THE ARMC

The Board upholds the importance of maintaining the independence and objectivity of the external audit process. To this end, none of the ARMC members have previously served as audit partners of the Company’s current external auditors.

In the event that a former audit partner of the Group’s external auditors is considered for appointment to the ARMC, the Company will implement a mandatory cooling-off period of at least three (3) years prior to the appointment, in line with best governance practices.

ATTENDANCE OF MEETINGS

During FYE 2025, the ARMC convened five (5) meetings. All the ARMC members have achieved full attendance during FYE 2025.

The Executive Directors, internal auditors, external auditors, and key members of management were invited to attend meetings where relevant, to provide briefings, clarify issues, and offer input on audit and operational matters.

In line with good governance, the ARMC also met with the external auditors at least once during the year without the presence of management to facilitate open and independent discussions on any concerns or observations arising from the audit.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

The Company Secretary, or their representative, attended all ARMC meetings to record the minutes and ensure proper documentation of proceedings. These minutes were confirmed at the subsequent ARMC meeting and key matters deliberated were reported by the ARMC Chairman to the Board for its further consideration and decision.

TERMS OF REFERENCE

The ARMC's duties and responsibilities are outlined in its TOR. The full TOR of the ARMC are available on the Company's corporate website at www.auro.com.my.

SUMMARY OF WORK

The work carried out by the ARMC in discharging its duties and functions with respect to their responsibilities during the financial year under review were summarized as follows: -

1. Financial Reporting

- a) Reviewed and recommended unaudited quarterly financial results and audited financial statements before recommending to the Board for consideration and approval for release to Bursa Malaysia; and
- b) Deliberated on significant matters raised by the external auditors including financial reporting issues, significant judgements made by management, any significant and unusual events or transactions, and management's reports and updates on actions recommended by the external auditors for improvement.

2. Internal Audit

- a) Reviewed and adopted the internal audit plan and the internal auditors' scope of work;
- b) Reviewed and discussed with the internal auditor, its audit findings and issues arising during the audit;
- c) Reviewed the adequacy and effectiveness of corrective actions taken by management on all significant matters raised by the internal auditor;
- d) Reviewed the Statement on Risk Management and Internal Control to ensure that it is consistent with their understanding of the state of internal control of the Group and recommended the same to the Board for inclusion in the Annual Report; and
- e) Reviewed the adequacy and effectiveness of the risk management process to ensure that management is developing a systematic methodology to identify, assess and mitigate risk areas.

3. External Audit

- a) Reviewed and approved the external auditor's scope of work and audit plan prior to commencement of the annual audit;
- b) Reviewed and discussed with the external auditor, the results of the audit, the audit report and findings noted during its audit and reported the same to the Board;
- c) Evaluated the independence and performance of the external auditor and recommended its fees and reappointment to the Board for approval; and
- d) Had a private discussion with the external auditors without the presence of management.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

4. Others

- (a) Reviewed the ARMC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement together with Corporate Governance Report and Sustainability Statement prior to recommending the same to the Board for approval and inclusion in the Annual Report of the Company;
- (b) Reviewed related party transactions that may arise within the Group and to ensure that the transactions entered into were on arm's length basis and on normal commercial terms and not detrimental to the interests of minority shareholders;
- (c) Reviewed and confirmed the minutes of the ARMC meetings and distributed the minutes to the other members of the Board; and
- (d) Discussed potential issues and appointment of audit firm as independent auditors to conduct independent facts finding.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm, Talent League Sdn Bhd ("**Talent League**" or "**Internal Auditor**"), which reports directly to the ARMC to ensure independence and objectivity in the audit process. Any proposal by management to appoint or remove the Internal Auditor is subject to the prior review and approval of the ARMC.

Talent League conducts its assessment and review in accordance with the International Professional Practices Framework 2024 – Global Internal Audit Standards adopted and recommended by the Institute of Internal Auditors Malaysia.

Talent League review process includes understanding, documenting and evaluating the business processes through interviews, observations, compliance and walk-through tests and test of transactions.

The ARMC approves the internal audit plan at the first meeting of each financial year. Any subsequent amendments to the plan are subject to further deliberation and approval by the ARMC. The scope of the internal audit encompasses all business units and operations, including subsidiaries, as defined in the letter of engagement.

For the financial year ended 28 February 2025, the total cost incurred for the internal audit function amounted to approximately RM24,000.

Further information regarding the internal audit function and its key activities can be found in the Statement on Risk Management and Internal Control, set out on pages 25 to 26 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Board of Directors (“**Board**”) of Auro Holdings Berhad (“**Company**”) is required to provide a statement in the Company’s Annual Report about the state of risk management and internal control of the Company as a group.

The Board is pleased to furnish the Statement on Risk Management and Internal Control (“**Statement**”), which outlines the nature and scope of the system of risk management and internal control in the Group (comprising the Company and its subsidiaries) for the financial year ended 28 February 2025 (“**FYE 2025**”) and up to the date of this report. This Statement has considered and included the mandatory contents outlined in the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers), a publication of Bursa Securities, which provides guidance to listed issuers in preparing the Statement.

RESPONSIBILITIES OF THE BOARD

The Board affirms its responsibilities for the Group’s system of internal control, which includes the establishment of an effective control environment and appropriate internal control framework as well as review of its adequacy and integrity. This system is designed to identify and manage risk facing the business and covers financial, organisational, operational and compliance controls to safeguard shareholders’ investment and the Group’s assets.

The Board continually reviews the system to ensure it provides a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

RISK MANAGEMENT FRAMEWORK

The Group has in place a risk management framework which incorporates, amongst others, a structured process for identifying, evaluating, and managing the significant risks faced by the Group. This process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines.

The Board’s primary objective and direction in managing the Group’s risks are focused on the achievement of the Group’s business objectives. The Board has established the Audit and Risk Management Committee (“**ARMC**”) to oversee the risk management initiatives of the Group. Monitoring reports are presented to the ARMC and thereafter to the Board for the required reviews and approvals. Management also has in place a process to conduct follow-up updates on its risk assessment periodically or as and when there is a significant change to the Group’s risk profile or business environment.

INTERNAL CONTROL AND INTERNAL AUDIT FUNCTION

The Group has in place a Whistle Blower Policy which provides a channel to employees to report in confidentiality without fear of reprisals, concerns about possible improprieties in financial reporting or other matters and an Anti-Bribery and Corruption (“**ABC**”) Policy has been formalised to prevent the occurrence of corruption and bribery practice in relation to the business.

The Board has outsourced the internal audit function of the Group to an independent professional firm, Talent League Sdn Bhd (“**Talent League**”), for the FYE 2025. The internal audit planning memorandum presented by the internal auditors was adopted by the ARMC to review the effectiveness of the system of internal control.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The Group's system of internal control comprises but not limited to the following activities:

- The ARMC comprises Non-Executive Directors with full access to both the internal and external auditors. ARMC meetings are held separately from Board meetings;
- Periodic internal audits are conducted by the internal auditors to monitor compliance to the established procedures and to review internal control measures. The internal audit reports would highlight any significant risks, non-compliances and areas for improvements;
- Each core business process function is audited on a rotational basis and the ARMC reviews the internal audit issues identified, together with the recommendations on improvements with the Board; and
- Follow up reviews are conducted on previous audit issues highlighted to ensure that the recommendation highlighted had been addressed by management.

During the FYE 2025, summary of works undertaken by Talent League comprised the following:

- Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- Assessed the adequacy and integrity of the Group's system of internal controls for the review period from 1 March 2024 to 28 February 2025 for:

Business Area / Process	Entity
Food and Beverages Outlet Operations	Auro Capital Sdn. Bhd.

- Presentation of internal audit findings and corrective actions to be taken by Management during the ARMC meetings; and
- Ensured weaknesses were appropriately addressed and that corrective actions on reported weaknesses were taken appropriately and within the required timeframe.

The professional fee incurred by the Group for this internal audit review during the FYE 2025 amounted to RM24,000.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuer), nor is the Statement factually inaccurate.

CONCLUSION BY THE BOARD

During the FYE 2025, the Board is satisfied that there were no material losses, deficiencies or errors arising from any inadequacy or failure of the Group's internal control system. The Board had relied on the internal control system put in place by Management which was regularly subjected to audits from the internal auditor, Talent League. The Board gains comfort from regular assurance on the effectiveness and soundness of the internal control system through reviews conducted by the internal auditor. The Board of Directors will continue to drive measures to strengthen and improve the internal control and risk management environment within the Group

The Board had also received assurance from the Executive Directors that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

This Statement was approved by the Board on 25 June 2025.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

AUDIT FEE AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial year ended 28 February 2025 were as follows:

Type of fees	Group (RM'000)	Company (RM'000)
Audit fees	104	52
Non-audit fees	5	5
Total	109	57

MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company and its subsidiary involving Directors' and major shareholders' interests.

UTILISATION OF PROCEEDS

I. Private Placement I

The Company had on 26 July 2022 proposed to undertake a private placement of up to 10% of the total number of issued shares of the Company ("**Private Placement I**") and the Private Placement I has completed on 8 February 2023.

Through the Private Placement I, the Company has allotted a total of 52,637,100 ordinary shares and raised total gross proceeds of RM11.359 million. The Company had also on 19 April 2023 announced on the proposed variation of utilisation of proceeds arising from the Private Placement I ("**Proposed Variation 1**") and subsequently seek for shareholders' approval on 15 June 2023 on the second proposed variation of utilisation of proceeds ("**Proposed Variation 2**") (*Proposed Variation 1 and Proposed Variation 2 collectively be referred as "**Proposed Variations**"*).

As of 31 May 2025, the Company has fully utilised the proceeds as below:-

Purposes	Timeframe for Utilisation	Revised Proposed Proceeds subsequent to the Proposed Variations (RM'000)	Amount Utilised (RM'000)	Amount Unutilised (RM'000)
Working capital	Within 24 months	10,295	10,295	-
Capital requirement for joint venture	Within 24 months	1,000	1,000	-
Estimated expenses	Upon completion	64	64	-
Total		11,359	11,359	-

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (CONT'D)

UTILISATION OF PROCEEDS (CONT'D)

II. Private Placement II

The Company had on 8 February 2024 proposed to undertake a private placement of up to 10% of the total number of issued shares of the Company ("Private Placement II") and the Private Placement II has completed on 6 January 2025.

Throughout the financial year under review, the Company has allotted a total of 57,597,332 ordinary shares and raised total gross proceeds of RM7.477 million.

As of 31 May 2025, the Company has fully utilised the proceeds as below:-

Purposes	Timeframe for Utilisation	Revised Proposed Proceeds subsequent to the Proposed Variations (RM'000)	Amount Utilised (RM'000)	Amount Unutilised (RM'000)
Capital requirement for F&B business	Within 24 months	5,534	5,534	-
Working capital requirement for F&B business	Within 24 months	1,759	1,759	-
Estimated expenses	Upon completion	184	184	-
Total		7,477	7,477	-

RELATED PARTY TRANSACTIONS

Save for such disclosure made in Note 24 of the Audited Financial Statements of the Company on page 112 of this Annual Report, there were no other material related party transactions during the financial year.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

Auro Holdings Berhad (“Auro”) or (“the Group”) is honoured to present our Sustainability Statement for the financial year 2025, outlining the Group’s ongoing efforts and achievements in addressing our material sustainability matters. This Statement reflects our unwavering commitment to building a better future through responsible business practices, clearly defined objectives, and operational excellence. Through this report, we aim to provide transparent insights into our sustainability performance and progress.

Our Key Business Activities

Auro maintains a diversified business portfolio comprising timber manufacturing, food and beverage (“F&B”), sand dredging, and investment holding. The Group has built a strong reputation in the timber industry, offering a wide array of services including the production of moulded timber products, air-dried and kiln-dried sawn timber, veneer roll and veneer wrapping, kiln drying (“KD”), timber treatment, contract logging, and contract sawmilling. As part of its strategic diversification efforts, Auro expanded into the F&B sector in December 2023 with the launch of a premium tea-based brand, HeyTea. This venture underscores the Group’s focus on delivering high-quality products and elevating customer satisfaction. The Group’s key business activities, their geographical presence, and respective revenue contributions are summarised in the table below.

Business activity	Geographical locations	% of total revenue ¹
Moulding and timber, food and beverage, sand dredging, and investment and others	Malaysia	93.7
	Asia Pacific	6.3

¹ The revenue figures presented represent the percentage contribution of each business segment as disclosed in the Group’s audited financial statements for the financial year ended 28 February 2025.

Reporting Guidelines, Frameworks and Standards.

This Sustainability Report of Auro and its subsidiaries has been prepared in accordance with the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad, with reference to the Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia.

SUSTAINABILITY STATEMENT (CONT'D)

The Report is further aligned with key principles and guidelines from the following national and international frameworks and standards:

Corporate Governance and Global Sustainability Alignment	<ul style="list-style-type: none"> • Malaysian Code on Corporate Governance (“MCCG”) by the Securities Commission Malaysia • United Nations Sustainable Development Goals (“UNSDGs”) • Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations (Part of IFRS Foundation)¹
Reporting Frameworks	<ul style="list-style-type: none"> • National Sustainability Reporting Framework (“NSRF”)² • IFRS Sustainability Disclosure Standards (S1 and S2) issued by the IFRS Foundation¹ • International <Integrated Reporting> Framework and Integrated Thinking Principles (Part of IFRS Foundation¹)
International Standards and Guidelines	<ul style="list-style-type: none"> • AccountAbility Standards <ul style="list-style-type: none"> o AA1000 AccountAbility Principles o AA1000 Stakeholder Engagement Standard • International Workshop Agreements (“IWA”) <ul style="list-style-type: none"> o IWA 48:2024 – Framework for Implementing Environmental, Social and Governance (“ESG”) Principles o IWA 42:2022 – Net Zero Guidelines • International Organisation for Standardisation (“ISO”) <ul style="list-style-type: none"> o ISO 14064:2018 – Greenhouse Gases o ISO 20400:2017 – Sustainable Procurement – Guidance o ISO 59004:2024 – Circular Economy – Vocabulary, Principles and Guidance for Implementation o ISO 59020:2024 – Circular Economy – Measuring and Assessing Circularity Performance

1 The Group commenced the adoption of the IFRS Sustainability Disclosure Standards in its financial year ending 28 February 2025 (“FY 2025”), marking a significant step towards aligning with global best practices in sustainability reporting. As part of this initial phase, the Group has begun applying the core principles of both IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

As of 31 December 2024, no additional IFRS Sustainability Disclosure Standards had been issued by the International Sustainability Standards Board (“ISSB”).

While the Group has taken active steps to incorporate the IFRS S1 and S2 frameworks, the adoption is not yet comprehensive. The Group is progressively enhancing its reporting practices to align more fully with these standards over time, in line with internal readiness, data availability, and evolving regulatory requirements.

2 The NSRF outlines Malaysia’s strategic approach to adopting the IFRS S1 and S2 issued by the ISSB. The framework serves as a national baseline for consistent, comparable, and reliable sustainability reporting, aimed at enhancing investor confidence and strengthening Malaysia’s global competitiveness.

Implementation of the NSRF will be phased starting from 2025, with full adoption—including mandatory disclosures of Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions—required by 2027 for larger entities. In addition to disclosure requirements, the NSRF also sets out the development of assurance requirements to enhance the credibility and integrity of sustainability-related information disclosed by companies.

SUSTAINABILITY STATEMENT (CONT'D)

Reporting Period, Scope and Basis of Scope

This Sustainability Report has been prepared for the Group and should be read in conjunction with the Group's consolidated financial statements, which are prepared in accordance with Malaysia Financial Reporting Standards ("MFRS"), issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, Practice Note 9A-A Saving and Transitional Provisions for Sustainability Statement Part A: Contents of the Sustainability Statement and Part B: Disclosure of common sustainability matters.

The reporting period covers the 12-month financial year from 1 March 2024 to 28 February 2025, consistent with the period covered by the Group's consolidated financial statements. The sustainability-related financial disclosures in this report apply to the same reporting entity and encompass both the Group's own operations and its extended value chain.

To support effective sustainability risk and opportunity management, the Group defines the following time horizons, aligned with its strategic planning and decision-making processes:

- Short term: 0 to 12 months
- Medium term: 1 to 5 years
- Long term: Beyond 5 years

All financial figures are presented in Malaysian Ringgit ("MYR"), consistent with the currency used in the Group's financial reporting.

Board of Directors' Approval

The Board of Directors has reviewed and approved this Sustainability Statement, affirming that it accurately represents Auro's sustainability performance, initiatives, and commitments for the reporting period. The Board assumes full responsibility for the integrity of this Statement, which is supported by strong governance practices and internal reporting mechanisms.

Independent Assurance

The performance data presented in this report are primarily sourced from the Group's internal information systems and original documentation, ensuring a high level of accuracy and reliability.

External Assurance

To further strengthen the credibility and transparency of this report, Auro engaged ASAP Advisory PLT ("ASAP"), an independent verifier, to conduct a limited assurance engagement review of selected sustainability indicators. The assurance was performed in accordance with ISAE 3000 (Revised), thereby providing independent validation of the reliability and accuracy of the reported information.

ASAP was appointed solely for the purpose of providing sustainability assurance and is independent of Auro's internal audit function. ASAP's role and independence were assessed in accordance with professional ethical requirements, and adequate safeguards were implemented to ensure the integrity and objectivity of the assurance process.

Forward-looking Statements

This report contains forward-looking statements that reflect Auro's sustainability aspirations, strategies, and future plans. These statements are based on current expectations and assumptions and do not guarantee future outcomes. Stakeholders are advised to interpret these statements with due consideration of the uncertainties inherent in forward-looking projections.

SUSTAINABILITY STATEMENT (CONT'D)

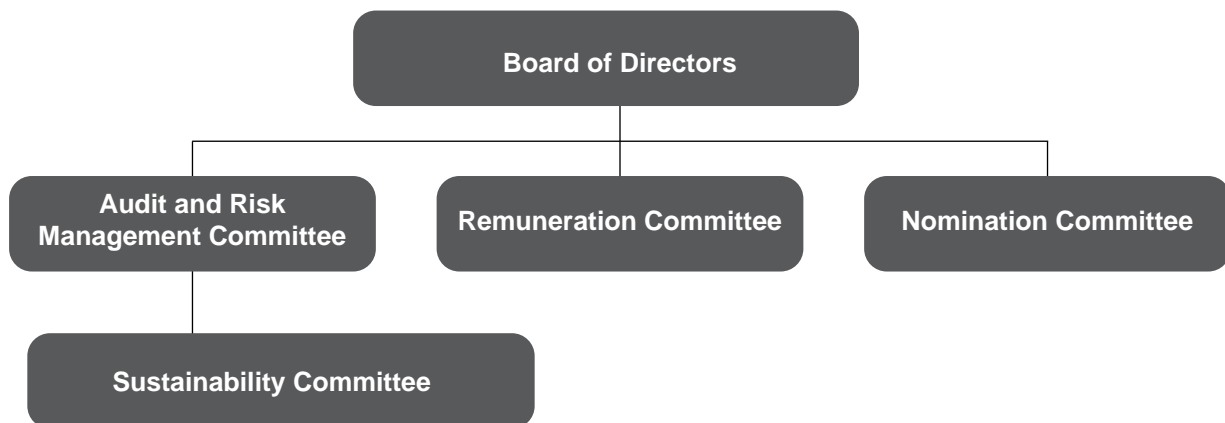
Feedback

We value feedback from our stakeholders as we continuously work to improve and contribute to a more sustainable future. For any comments or information or inquiries, please contact us at: adminsupport@auro.com.my.

SUSTAINABILITY GOVERNANCE

At Auro, sustainability is a core value that is deeply embedded in our corporate identity and operational philosophy. To effectively pursue our sustainability goals and commitments, the Group has established a comprehensive and structured governance framework. Our pursuit of sustainable growth is anchored in a strong corporate governance foundation that aligns strategic objectives with ESG priorities.

This integrated approach ensures that the Group is managed responsibly, ethically, and with a forward-looking perspective. Our sustainability governance structure is designed to provide clear oversight, defined roles and responsibilities, and strong accountability mechanisms demonstrating our commitment to long-term value creation for stakeholders. The following section outlines the Group's sustainability governance structure.



Board of Directors

Auro's Board of Directors plays a pivotal role in guiding the Group's sustainability strategy and ensuring it aligns with our long-term corporate objectives. They oversee sustainability matters across the entire Group, including the development of sustainability strategies, setting objectives, conducting materiality assessments, and identifying climate-related risks and opportunities. The Board ensures that sustainability considerations are integrated into all operations and business units, fostering a strong culture of sustainability throughout the organisation. Additionally, they evaluate the effectiveness of the Group's risk management systems and internal controls related to sustainability implementation. The Board is also responsible for communicating the Group's sustainability strategies, priorities, goals, and progress towards targets to both internal teams and external stakeholders, thereby promoting transparency and accountability.

Audit and Risk Management Committee

The Audit and Risk Management Committee supports the Board by ensuring the financial integrity and regulatory compliance of the Group. It oversees the effectiveness of the Group's risk management and internal control systems to maintain robust governance practices. By safeguarding accurate financial reporting and reliable internal controls, the Committee helps Auro uphold transparency, build stakeholder confidence, and align with best practices in corporate governance.

SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Committee

The Sustainability Committee leads Auro's sustainability agenda by coordinating day-to-day activities and embedding ESG principles across all business functions. It ensures that sustainability is not treated as a separate initiative but is fully integrated into the Group's operations from supply chain management to customer engagement. By fostering collaboration across departments, the Committee advances efforts to reduce environmental impact, promote social responsibility, and enhance corporate governance. This integrated approach reinforces Auro's long-term resilience, competitiveness, and commitment to sustainable growth in line with stakeholder expectations.

As part of its efforts to enhance the Group's climate strategy, the Committee is evaluating the adoption of science-based emissions reduction targets aligned with the Science Based Targets initiative ("SBTi"). This alignment would position Auro on a decarbonisation pathway consistent with global best practices and the objectives of the Paris Agreement. To ensure strategic coherence and accountability, the Committee recommends that this initiative be formally reviewed and approved by the Board of Directors.

Sustainability Integration in Nomination and Remuneration Practices

Auro incorporates sustainability considerations into its nomination and remuneration frameworks to promote alignment with long-term corporate responsibility goals. The Group recognises the importance of leadership in steering sustainable development, succession planning, and key leadership roles. Furthermore, we are looking towards embedding sustainability-related objectives and key performance indicators ("KPIs") into our senior management evaluations and incentive schemes, encouraging decision-making that supports Auro's sustainability vision. This ensures leadership accountability extends beyond financial outcomes to include advancing the Group's sustainability ambitions.

STAKEHOLDER ENGAGEMENT

At Auro, open and transparent stakeholder engagement is central to how we operate and grow responsibly. We understand that our business activities influence a broad range of stakeholders from customers and employees to regulators, investors, and surrounding communities and their perspectives are critical in shaping our sustainability priorities and performance.

To ensure our sustainability efforts remain relevant and responsive, Auro actively engages with stakeholders through continuous dialogue, feedback mechanisms, and collaborative initiatives. These interactions allow us to better understand expectations, address concerns proactively, and identify areas for mutual value creation. The following table highlights Auro's key stakeholder groups, along with the engagement approaches and communication platforms we use to foster strong, trust-based relationships and drive sustainable outcomes.

Key Stakeholders	Areas of Concern/ Interest	Engagement Approach	Our Responses
Customers	<ul style="list-style-type: none"> Product and service quality and compliance Customer service and experience 	<ul style="list-style-type: none"> Reliable service and prompt response time Customer relationship management 	<ul style="list-style-type: none"> Adhere to stringent quality control measures

SUSTAINABILITY STATEMENT (CONT'D)

Key Stakeholders	Areas of Concern/ Interest	Engagement Approach	Our Responses
Employees	<ul style="list-style-type: none"> Welfare and remuneration Health and safety Workplace diversity Training and career development Value equal opportunities 	<ul style="list-style-type: none"> Employee engagement programmes and events Training programmes Performance appraisal Management and staff meetings 	<ul style="list-style-type: none"> Encourage transparent communication with employees Ensure equal employment opportunities for all individuals without discrimination Provide reasonable benefits and remuneration package
Suppliers	<ul style="list-style-type: none"> Transparent procurement practices Payment schedule Anti-bribery 	<ul style="list-style-type: none"> Credential verification Anti-bribery commitment 	<ul style="list-style-type: none"> Prioritise the establishment of transparent procurement processes Require suppliers to undergo a Due Diligence assessment
Investors	<ul style="list-style-type: none"> Financial performance Business strategies Shareholder value Good corporate governance 	<ul style="list-style-type: none"> Annual report Annual general meeting Financial report Corporate website Company announcements Investor relations activities 	<ul style="list-style-type: none"> Provide timely updates on the Group's strategy and financial performance through investor briefings and announcements Uphold good governance practices across the Group
Government Agencies	<ul style="list-style-type: none"> Governance compliance Environment management and compliance Fair labour practices 	<ul style="list-style-type: none"> Annual report Meeting and seminars Public announcement 	<ul style="list-style-type: none"> Full compliance with regulatory requirements Adoption of practices outlined in the Malaysian Code on Corporate Governance ("MCCG")
Local Communities	<ul style="list-style-type: none"> Impact of business operation Social issue 	<ul style="list-style-type: none"> Customer relationship and engagement 	<ul style="list-style-type: none"> Enhance the welfare and well-being of the community

Membership Associations

The Group is also a proud member of the Sabah Timber Industries Association, reflecting our commitment to industry development, collaboration, and the promotion of sustainable timber practices.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY COMMITMENTS AND APPROACH

Sustainability Framework

Our sustainability framework is anchored on the Economic, Environmental, Social, and Governance (“EESG”) pillars, which are embedded across our core operational areas: Corporate, Development, and Assets. This structured approach enables us to identify and prioritise material sustainability topics, ensuring the effective integration of responsible practices across all facets of our business activities-including timber, food and beverage, sand dredging, and investment operations.

Refer to the summary table below for the material topics by operational area and EESG category.

	Corporate Headquarters and staff	Development Manufacturing and sale of furniture	Assets Owned and managed properties
Economics	<ul style="list-style-type: none"> Financial Performance Value Creation through Governance & Strategy Investment in Human Capital 	<ul style="list-style-type: none"> Financial Performance Revenue and Profit Growth Operational Efficiency Responsible Supply Chain Economics Sustainable Product Economics 	<ul style="list-style-type: none"> Asset Value Optimisation Green Investment Economic Risk Management
Environmental	<ul style="list-style-type: none"> Energy consumption GHG emissions Water consumption Waste management Responsible procurement 	<ul style="list-style-type: none"> Energy consumption GHG emissions Water consumption Waste management Responsible procurement Sustainability certifications 	<ul style="list-style-type: none"> Energy consumption GHG emissions Water consumption Waste management
Social	<ul style="list-style-type: none"> Employee health and safety Employee learning and development Diversity, equity, and inclusion Labour practices and standards 	<ul style="list-style-type: none"> Health and safety Worker welfare and well-being Community engagement 	<ul style="list-style-type: none"> Community engagement
Governance	<ul style="list-style-type: none"> Anti-corruption Risk Management Policies and Processes Enhanced sustainability reporting obligations 	<ul style="list-style-type: none"> Health and safety policies Due diligence Procurement policies 	<ul style="list-style-type: none"> Sustainability-related requirements Quality certifications

SUSTAINABILITY STATEMENT (CONT'D)

Our materiality assessment is shaped by the Six Capitals model comprising financial, manufactured, human, social, natural, and governance capitals as well as the UNSDGs and Bursa Malaysia's Common Sustainability Indicators¹. These frameworks offer a comprehensive perspective for assessing our value creation and sustainability impacts. By incorporating them into our materiality process, we ensure our sustainability initiatives are aligned with long-term business goals, stakeholder interests, and evolving regulatory expectations.

Refer to the following table for an overview of the Six Capitals and how they guide our sustainability approach:

Capitals	Definition	Aspects
Financial	Funds available for our Group's working capital requirements from the internal operations and internal/external financing sources	Financial Highlight Resources to support our Group's operations and to implement other Capitals
Manufactured	Creating value through innovation and product quality and compliance	Marketplace Implementing sustainability through product quality and compliance
Governance	Good governance and robust internal control system and procedures	Governance Board engagement on strategy and sound governance of internal controls to enhance sustainability initiatives
Human	Skills, motivation, and alignment with our organisational goals	Workplace Creating a safe and supportive working environment, training and self-development
Social	Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence and its social license to operate	Community Contributing to local community development
Natural	Renewable and non-renewable natural elements and the eco-system, used as inputs by our Group now or in the past or future, and the impacts from our Group's operations on them	Environment Improving our environment by utilising greener alternatives

¹ Bursa Malaysia's Common Sustainability Indicators provide a standardised set of ESG metrics to enhance the consistency and comparability of sustainability disclosures. Covering key economic, environmental, and social areas, these indicators guide listed issuers in aligning with global frameworks such as IFRS S1/S2, TCFD, and GRI, and are mandatory for Main and ACE Market companies.

SUSTAINABILITY STATEMENT (CONT'D)

Material Topics

As part of Auro's ongoing commitment to sustainable development, the Group has undertaken an annual materiality assessment starting from the financial year 2024. This process aims to identify the most relevant sustainability topics that reflect Auro's operational impacts and stakeholder priorities. Oversight of this assessment is provided by the Board of Directors and supported by its Committees, ensuring alignment with our robust sustainability governance structure.

The assessment focuses on identifying actual and potential impacts of Auro's operations on the economy, environment, and society including human rights and aligns with the IFRS Sustainability Disclosure Standards (S1 and S2). Each topic is evaluated based on the severity and likelihood of its impact, enabling the Group to prioritise key sustainability risks and opportunities.

To ensure a comprehensive and meaningful assessment, these topics are also examined through various strategic frameworks, including the Six Capitals model, the UNSDGs, and Bursa Malaysia's Common Sustainability Indicators.

In line with our commitment to continuous improvement, the material topics for FY 2025 have been updated to reflect evolving business conditions, regulatory changes, and feedback from stakeholders. A management approach has been developed for each material topic, outlining the specific strategies and controls in place to manage our key sustainability priorities.

Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Economic				
Financial Performance	The F&B and timber industries face risks such as economic downturns, market volatility, and financial mismanagement, which may impact profitability and long-term stability. However, integrating sustainability practices such as responsible sourcing, efficient resource use, and climate resilience, can help strengthen operational resilience, enhance access to financing, and build stakeholder trust, supporting long-term value creation.	Financial	<ul style="list-style-type: none"> SDG 8: Decent Work and Economic Growth 	N/A
Summary of management approach	Integrates strong financial performance with strategic foresight and ethical business conduct to drive sustainable growth, enhance resilience, and deliver lasting value to stakeholders.			

SUSTAINABILITY STATEMENT (CONT'D)

Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Environmental				
Climate Change (Energy Management and Emissions)	May face risks such as regulatory penalties, increased costs from carbon pricing, physical impacts of climate change, and reputational harm due to poor environmental performance. At the same time, opportunities such as improving energy efficiency, reducing emissions, and adopting sustainable practices can help lower operational costs, ensure regulatory compliance, and strengthen brand reputation.	Natural	<ul style="list-style-type: none"> SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 13: Climate Action 	<ul style="list-style-type: none"> B4(a) Total energy consumption B11(a) Scope 1 emissions in tonnes of CO₂e B11(b) Scope 2 emissions in tonnes of CO₂e B11(c) Scope 3 emissions in tonnes of CO₂e (at least for the categories of business travel and employee commuting)
Summary of management approach	Reducing environmental impact through responsible energy use, improved emissions reporting, and continuous efficiency enhancements aligned with sustainable growth.			
Waste Management	Improper waste handling, including organic or hazardous waste, may lead to environmental pollution, regulatory non-compliance, and financial penalties. On the other hand, efficient waste management practices-such as waste segregation, recycling, and reuse-can reduce disposal costs and support circular economy initiatives.	Natural	<ul style="list-style-type: none"> SDG 12: Responsible Consumption and Production SDG 13: Climate Action 	<ul style="list-style-type: none"> B10 (a) Total waste generated, and a breakdown of the following: <ul style="list-style-type: none"> (i) Total waste diverted from disposal (ii) Total waste directed to disposal
Summary of management approach	Responsible handling, strict monitoring, and collaboration with licensed contractors to minimise environmental impact and promote sustainability.			

SUSTAINABILITY STATEMENT (CONT'D)

Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Water	Water scarcity, pollution, and regulatory restrictions can significantly disrupt operations and increase costs. However, improving water efficiency and conservation can help reduce operational costs, ensure supply continuity, and support compliance with environmental standards.	Natural	<ul style="list-style-type: none"> • SDG 6: Clean Water and Sanitation • SDG 12: Responsible Consumption and Production 	B9(a) Total volume of water used
Summary of management approach	Improving water efficiency through planned conservation strategies and employee engagement, in response to rising water consumption.			
Social				
Product and Service Quality	Product defects or failure to meet quality standards such as in food safety or timber classification can damage reputation and lead to financial losses. Conversely, consistently delivering high-quality products enhances customer satisfaction, boosts market competitiveness, and supports sustainable business growth.	Manufactured	<ul style="list-style-type: none"> • SDG 3: Good Health and Well-being • SDG 6: Clean Water and Sanitation • SDG 8: Decent Work and Economic Growth • SDG 12: Responsible Consumption and Production 	N/A
Summary of management approach	Implementing stringent internal controls and leveraging customer relationship management to drive continuous improvement and customer satisfaction.			

SUSTAINABILITY STATEMENT (CONT'D)

Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Diversity and Inclusion	A lack of diversity may hinder innovation, lower employee morale, and result in reputational risk. By contrast, fostering a diverse and inclusive workplace can enhance creativity, improve employee engagement, and support better decision-making.	Human	<ul style="list-style-type: none"> SDG 5: Gender Equality SDG 8: Decent Work and Economic Growth 	<ul style="list-style-type: none"> B3(a) Percentage of employees by gender and age group, for each employee category B3(b) Percentage of directors by gender and age group B6(b) Percentage of employees that are contractors or temporary staff B6(d) Number of substantiated complaints concerning human rights violation
Summary of management approach	Promotes a respectful and inclusive workplace by ensuring equal opportunities, preventing discrimination, and supporting diverse talent development for all employees.			
Employee Management	High turnover, low productivity, and skills shortages can disrupt operations and affect profitability. Meanwhile, investing in employee development and well-being helps retain talent, increase productivity, and support long-term business resilience.	Human	<ul style="list-style-type: none"> SDG 1: No Poverty SDG 4: Quality Education SDG 8: Decent Work and Economic Growth SDG 10: Reduced Inequalities 	<ul style="list-style-type: none"> B6(a) Total hours of training by employee category B6(c) Total number of employee turnover by employee category
Summary of management approach	Focuses on nurturing talent through continuous development, merit-based recognition, and a strong commitment to employee well-being to drive retention, engagement, and long-term growth.			

SUSTAINABILITY STATEMENT (CONT'D)

Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Health and Safety	Workplace accidents and health risks especially in physically intensive operations can result in legal liabilities, financial losses, and reputational harm. On the other hand, strong health and safety practices improve employee morale, reduce downtime, and ensure compliance with regulations.	Human	<ul style="list-style-type: none"> • SDG 3: Good Health and Well-being • SDG 8: Decent Work and Economic Growth 	<ul style="list-style-type: none"> • B5(a) Number of work-related fatalities • B5(b) Lost time incident rate • B5(c) Number of employees trained on health and safety standards
Summary of management approach	Prioritises proactive risk management, regulatory compliance, and employee involvement to foster a safe, healthy, and resilient workplace.			
Contributing to Local Communities	Poor engagement with local communities may cause social conflict, loss of goodwill, and operational disruptions. In contrast, positive community involvement strengthens the social license to operate and supports long-term sustainable development.	Social	<ul style="list-style-type: none"> • SDG 8: Decent Work and Economic Growth • SDG 9: Industry, Innovation, and Infrastructure 	<ul style="list-style-type: none"> • B2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer • B2(b) Total number of beneficiaries of the investment in communities
Summary of management approach	Adopts a socially responsible approach focused on rebuilding community engagement through strategic planning, stakeholder trust, and long-term social impact.			

SUSTAINABILITY STATEMENT (CONT'D)

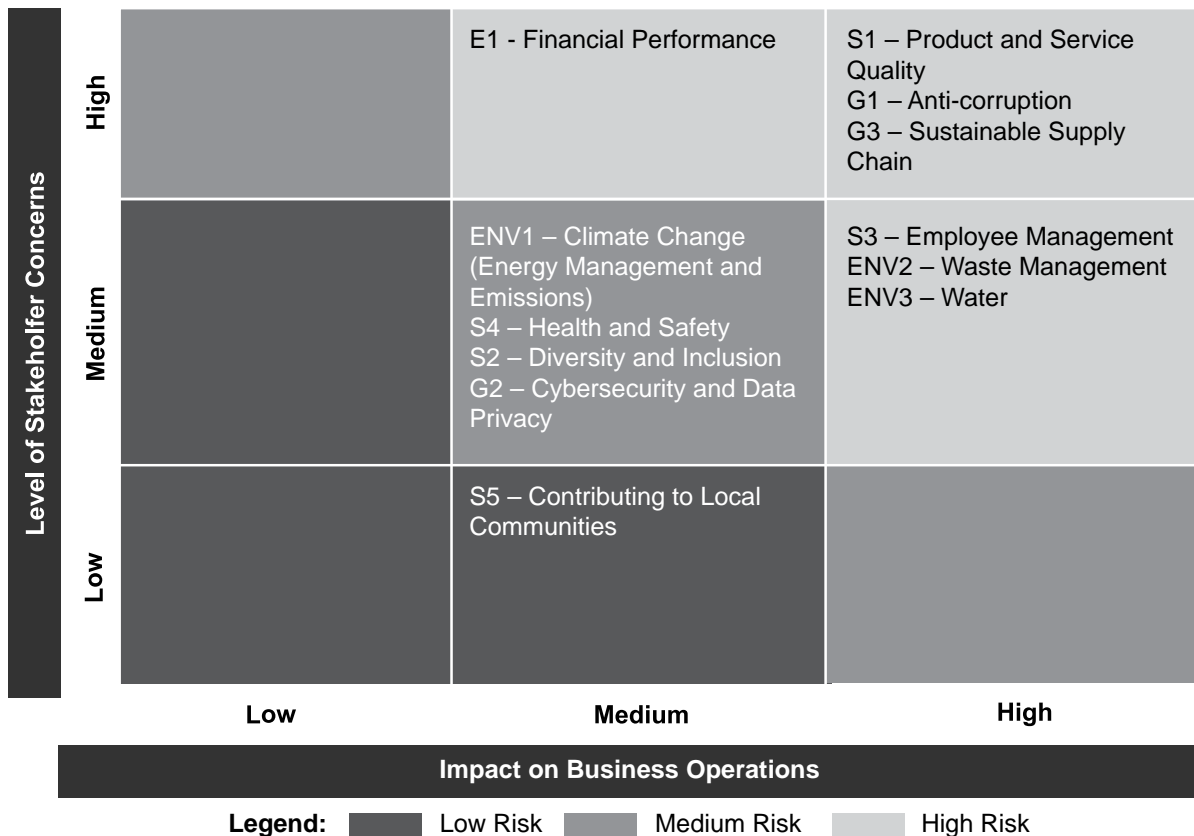
Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Governance				
Anti-corruption	Corrupt practices in procurement, sourcing, or operations can lead to regulatory penalties and loss of stakeholder trust. However, implementing strong anti-corruption measures enhances transparency, investor confidence, and ethical business conduct.	Governance	<ul style="list-style-type: none"> SDG 16: Peace, Justice and Strong Institutions 	<ul style="list-style-type: none"> B1(a) Percentage of employees who have received training on anti-corruption by employee category B1(b) Percentage of operations assessed for corruption-related risks B1(c) Confirmed incidents of corruption and action taken
Summary of management approach	Upholding strong corporate governance by promoting ethical conduct, regulatory compliance, and transparent business practices.			
Cybersecurity and Data Privacy	Cyberattacks and data breaches—especially with the rise of digital systems can disrupt operations and lead to legal consequences. On the other hand, robust cybersecurity and data protection measures safeguard digital assets, ensure compliance, and maintain stakeholder trust.	Governance	<ul style="list-style-type: none"> SDG 16: Peace, Justice and Strong Institutions 	<ul style="list-style-type: none"> B8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
Summary of management approach	Prioritises strict compliance with data privacy laws and robust cybersecurity measures to ensure the protection of employee and customer information.			
Sustainable Supply Chain	Supply chain disruptions, unethical sourcing, and lack of transparency can cause reputational damage and operational setbacks. By contrast, responsible procurement and supplier engagement improve supply chain resilience, ensure regulatory compliance, and support local economies.	Governance	<ul style="list-style-type: none"> SDG 8: Decent Work and Economic Growth 	<ul style="list-style-type: none"> B7(a) Proportion of spending on local suppliers
Summary of management approach	Focuses on building resilient, sustainable, and ethically sourced supply chains through rigorous supplier evaluation and strong local partnerships.			

SUSTAINABILITY STATEMENT (CONT'D)

Materiality Matrix

The Materiality Matrix provides a visual overview of Auro’s most important sustainability topics for FY 2025, identified through our recent materiality assessment. It illustrates the relative importance of each topic based on stakeholder priorities and the actual or potential impact on our business operations.

Topics that rank highly either due to their significant influence or their link to critical risks and opportunities are prioritised and embedded into our sustainability strategies, ensuring they guide planning, resource allocation, and decision-making across the Group.



FTSE4GOOD BURSA MALAYSIA INDEX

As a company listed on the Main Market, Auro is honoured to be evaluated under the FTSE4Good Bursa Malaysia Index, a leading benchmark that highlights public-listed companies demonstrating strong ESG performance. Recognised by investors globally, the Index plays a pivotal role in guiding responsible investment decisions.

In FY 2024, Auro received a 2-star rating (FTSE4Good ESG Rating of 1.3–2.4) within the Industrial Products & Services sector, based on an independent assessment conducted by FTSE Russell. This evaluation, carried out using the FTSE Russell ESG Ratings Methodology, considered both our exposure to ESG-related risks and the effectiveness of our management practices in addressing them.

The rating reflects our progress in key ESG areas, including carbon emissions control, employee welfare, governance standards, and anti-corruption efforts which are all essential to ensuring responsible operations and stakeholder confidence in the long term.

SUSTAINABILITY STATEMENT (CONT'D)

As we continue to enhance our ESG efforts, Auro is committed to improving its overall performance through stronger governance structures, more transparent reporting, and the integration of measurable sustainability goals across our business functions. Our target is to achieve a 3-star rating (ESG Rating of 2.5–3.6) a critical milestone that would qualify Auro for constituent status in the FTSE4Good Bursa Malaysia Index.

Securing a place in the Index would further affirm Auro's dedication to sustainable and ethical business practices and strengthen our positioning as a company that meets the expectations of today's ESG-focused investors.

ECONOMIC

Economic Performance

Auro believes that robust financial performance is the foundation for achieving our long-term sustainability objectives. Our operations drive economic value not only through revenue generation but also by creating employment opportunities, contributing to public finances, and delivering high-quality products that benefit society.

In FY 2025, Auro recorded total revenue and other income of MYR 19.3 million, reflecting our ability to navigate market challenges while maintaining operational strength. The F&B segment continued to be the key driver, contributing MYR 17.63 million, while the timber segment contributed MYR 1.29 million.

As we progress, Auro remains focused on sound strategic planning, responsible business practices, and financial discipline to ensure continued growth and resilience.

By integrating economic goals with sustainable business practices, we aim to deliver long-term value to our stakeholders and contribute positively to the broader economy.

	2023 MYR'000	2024 MYR'000	2025 MYR'000
Economic value generated (e.g., revenue and other income)	3,707	8,928	19,282
Economic value distributed:			
• Cost of sales	4,940	6,767	15,276
• Operating costs (e.g., administrative expenses, etc.)	4,306	4,101	11,188
• Payment to providers of capital (e.g., financing cost)	95	43	659
• Share of loss from joint venture company	20	31	-
• Payment to government (e.g., tax)	-	1	-
Economic value retained	(5,654)	(2,015)	(7,721)

Material Topic: Financial Performance

Align with	Financial Capital
	SDG 8: Decent Work and Economic Growth
Summary of management approach	Integrates strong financial performance with strategic foresight and ethical business conduct to drive sustainable growth, enhance resilience, and deliver lasting value to stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL

Climate Change (Energy Management and Emissions)

Auro remains steadfast in its commitment to sustainable growth, striving to minimise environmental impact while addressing the pressing challenges of climate change. Understanding the role that energy use and greenhouse gas (“GHG”) emissions play in contributing to climate-related risks, we continue to strengthen environmentally responsible practices across our operations.

In FY 2025, we improved the accuracy and transparency of our emissions reporting, enabling more robust and comprehensive GHG disclosures in line with recognised industry standards.

	Unit	2023	2024	2025
B11(a) Scope 1 emissions in tonnes of CO ₂ e – <i>machineries; diesel</i>	tCO ₂ e	11,137.00*	868.76*	1,435.35
B11(b) Scope 2 emissions in tonnes of CO ₂ e – <i>electrical</i>	tCO ₂ e	214.26*	67.77*	680.18
B11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting) – <i>business travel</i>	tCO ₂ e	0.00	5.4*	13,106.92

*Restated

To support our environmental goals, we encourage mindful electricity usage across our operations. Energy-saving initiatives such as the installation of LED lighting, scheduled equipment maintenance, and optimised operational planning are actively in place to improve efficiency and reduce our carbon footprint. Nonetheless, as our operations expanded in FY 2025, Auro experienced a rise in energy consumption, reinforcing our commitment to scaling up energy efficiency measures in tandem with business growth.

	Unit	2023	2024	2025
B4(a) Total energy consumption	MWh	282.67	84.91	897.34

Moving forward, we remain focused on identifying and implementing additional energy-saving technologies and practices to decouple energy consumption from business growth. We are also exploring opportunities to integrate renewable energy solutions and strengthen our GHG reduction strategies, ensuring our continued progress toward a low-carbon and sustainable future.

Material Topic: Climate Change (Energy Management and Emissions)	
Align with	Natural Capital SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 13: Climate Action
Summary of management approach	Reducing environmental impact through responsible energy use, improved emissions reporting, and continuous efficiency enhancements aligned with sustainable growth.

SUSTAINABILITY STATEMENT (CONT'D)

Waste Management

In FY 2025, Auro reinforced its commitment to responsible waste management as a key component of our environmental stewardship efforts. We recognise the importance of managing waste efficiently to minimise environmental harm and safeguard the well-being of surrounding communities.

Our waste includes both hazardous materials such as scheduled chemical waste and non-hazardous items like domestic refuse, spoiled food, packaging, and recyclables. Hazardous and high-volume waste is managed according to regulatory and environmental standards.

In our F&B operations, waste handling procedures adhere to the standard operating procedures (“SOP”) established by the franchisor. Operational teams are actively involved in monitoring and reducing waste. For example, food waste from leftovers or spoiled produce is recorded in our system, including the quantity and reason for disposal. This data is periodically reviewed by management to identify trends and implement targeted waste reduction measures.

We continue to raise awareness among employees about proper waste handling and recycling practices, fostering a culture of environmental responsibility across all levels of our operations.

	Unit	2023	2024	2025
B10(a) Total waste generated, and a breakdown of the following:	MT	N/A	0.40	14.81
(i) Total waste diverted from disposal	MT	N/A	0.00	0.00
(ii) Total waste directed to disposal	MT	N/A	0.40	14.81

Material Topic: Waste Management	
Align with	Natural Capital SDG 12: Responsible Consumption and Production SDG 13: Climate Action
Summary of management approach	Responsible handling, strict monitoring, and collaboration with licensed contractors to minimise environmental impact and promote sustainability.

Water

Auro recognises that excessive water use threatens natural resources, ecosystems, and community well-being. In FY 2025, water consumption rose, highlighting the importance of enhancing our water management efforts. Although comprehensive water-saving initiatives are still being developed, we are committed to implementing effective strategies to improve efficiency and reduce water consumption.

	Unit	2023	2024	2025
B9(a) Total volume of water used	Megalitres	19.47	7.74	28.54

We also prioritise educating our employees on responsible water use to foster a sustainability-driven culture. Through these continued efforts, we aim to lessen our environmental footprint, safeguard local water sources, and contribute to the health of the ecosystems and communities we serve.

SUSTAINABILITY STATEMENT (CONT'D)

Material Topic: Water	
Align with	Natural Capital
	SDG 6: Clean Water and Sanitation SDG 12: Responsible Consumption and Production
Summary of management approach	Improving water efficiency through planned conservation strategies and employee engagement, in response to rising water consumption.

SOCIAL

Product and Service Quality

At Auro, we are committed to delivering high-quality products and exceptional services across our core business segments, particularly in the F&B and timber industries. In the F&B sector, we prioritise safety, quality, and customer satisfaction at every stage—from sourcing ingredients and preparing food to packaging and distribution. We enforce stringent internal quality controls to ensure consistency, hygiene, and alignment with evolving consumer expectations. Similarly, in the timber segment, we focus on product durability, regulatory compliance, and responsible sourcing practices, offering reliable and sustainable solutions that meet market demands while promoting environmental responsibility.

To maintain and enhance these standards, Auro actively leverages Customer Relationship Management (“CRM”) practices to collect, analyse, and act on customer feedback. We monitor various online platforms such as Google Reviews, GrabFood, and social media channels to gain real-time insights into customer perceptions regarding food quality, service experience, and delivery efficiency. Additionally, we provide multiple feedback channels including email and direct social media messaging to ensure feedback is captured and addressed.

Our dedicated customer service and marketing teams handle complaints and negative reviews with care and urgency. Each issue is investigated and resolved through appropriate measures, including refunds, discounts, or service recovery gestures. Feedback typically covers aspects such as taste, freshness, portion sizes, staff behaviour, wait times, cleanliness, and the overall value for money. These insights are periodically reviewed by our operations and management teams to identify recurring issues and formulate targeted action plans. This may involve retraining staff, refining operations, or enhancing product offerings to better serve our customers.

Furthermore, we strengthen our relationship with customers by engaging them through loyalty programmes, promotional campaigns, and seasonal offers. These initiatives are designed to reward loyal patrons, encourage repeat visits, and foster lasting brand loyalty. Through these continuous efforts, Auro remains committed to delivering products and services that meet the highest standards—ensuring satisfaction, trust, and long-term value creation for our stakeholders.

Material Topic: Product and Service Quality	
Align with	Manufactured Capital
	SDG 3: Good Health and Well-being SDG 6: Clean Water and Sanitation SDG 8: Decent Work and Economic Growth SDG 12: Responsible Consumption and Production
Summary of management approach	Implementing stringent internal controls and leveraging customer relationship management to drive continuous improvement and customer satisfaction.

SUSTAINABILITY STATEMENT (CONT'D)

Diversity and Inclusion

At Auro, we are dedicated to fostering an inclusive and respectful work environment that embraces diversity in all its forms including race, gender, age, religion, and abilities. We believe that a diverse workforce not only reflects the communities we serve but also drives innovation and stronger business outcomes.

Our Code of Conduct reinforces our zero-tolerance stance on discrimination and harassment, ensuring that all employees are treated with fairness and dignity. We are committed to providing equal opportunities for growth and advancement, where talent is recognised and nurtured regardless of background.

Through structured talent development programmes and regular performance reviews, we support our employees' career progression and encourage a culture of continuous learning. Inclusion is embedded into every level of our operations, enabling individuals to thrive and contribute meaningfully to the Group's success.

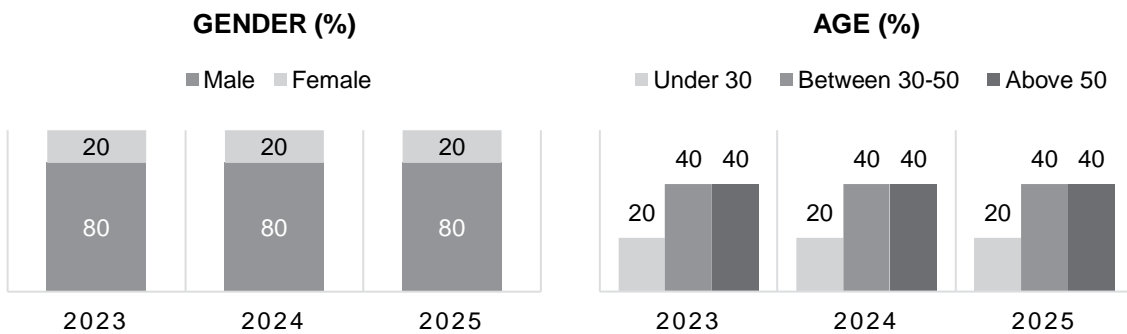
In FY 2025, Auro reported zero human rights-related complaints highlighting the strength of our inclusive practices and ethical culture.

	2023	2024	2025
B6(d) Number of substantiated complaints concerning human rights violation	0	0	0

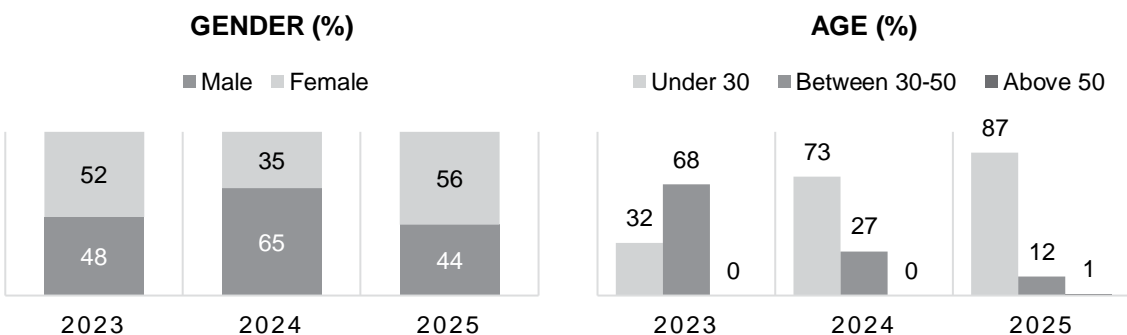
The charts below provide an overview of our Board and workforce diversity, reflecting our ongoing efforts to build a balanced and equitable organisation.

Board Diversity Total Directors of 5 in FY 2025

B3(b) Percentage of directors by gender and age group

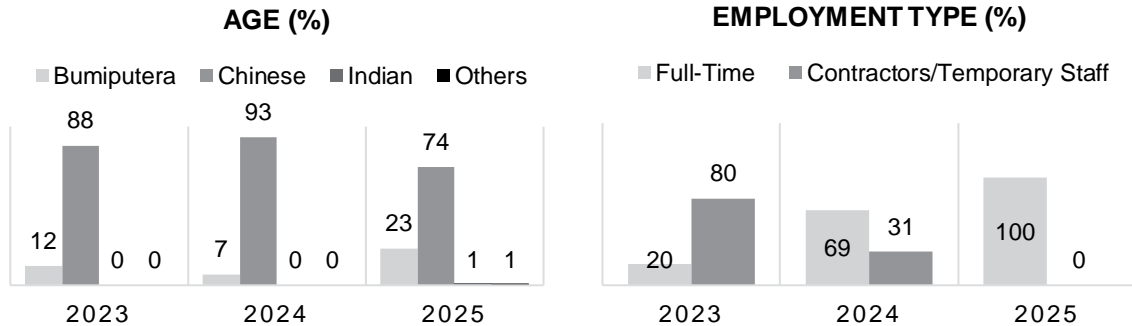


Workforce Profile (based on total employees of 179 as of 28 February 2025)

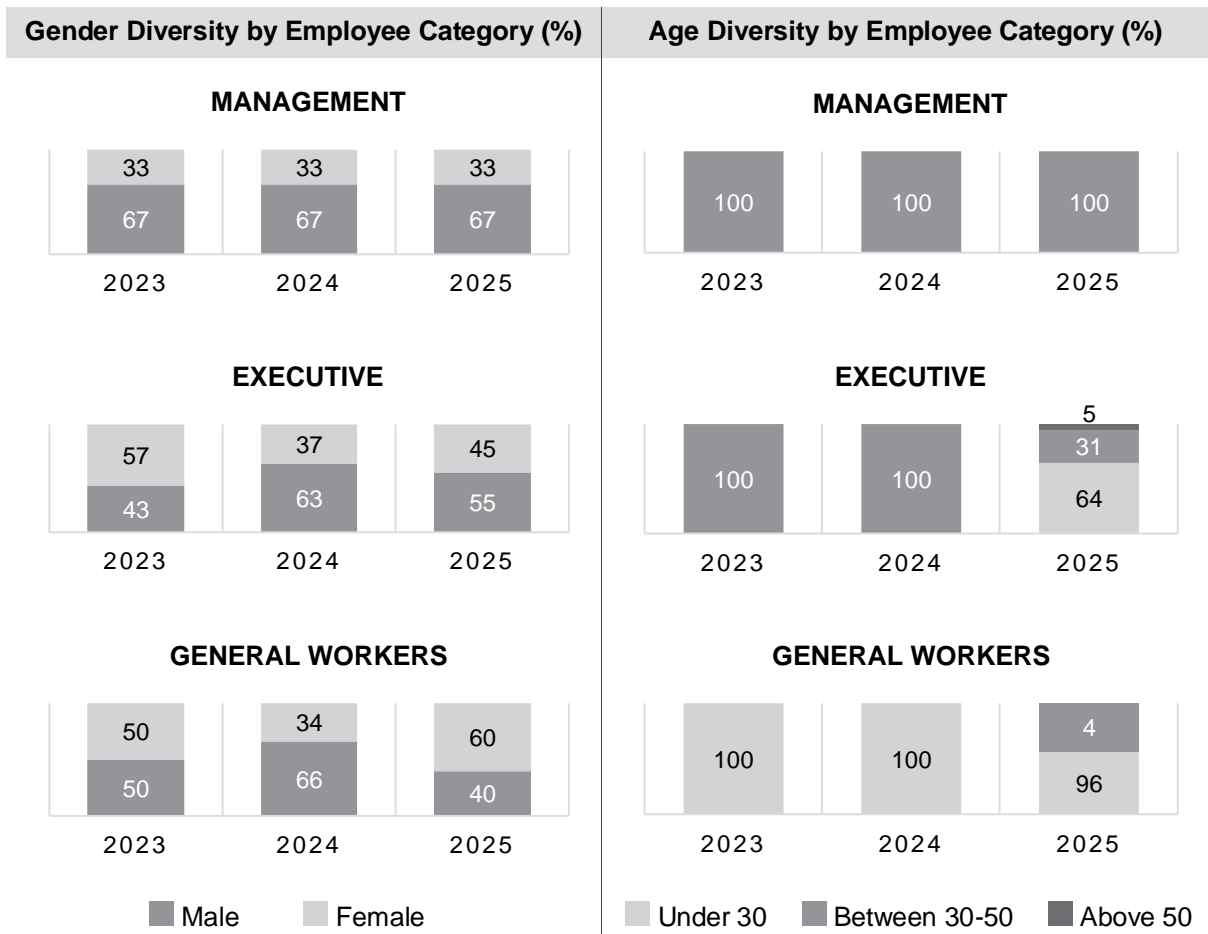


SUSTAINABILITY STATEMENT (CONT'D)

B6(b) Percentage of employees that are contractors or temporary staff



B3(a) Percentage of employees by gender and age group, for each employee category



Material Topic: Diversity and Inclusion	
Align with	Human Capital SDG 5: Gender Equality SDG 8: Decent Work and Economic Growth
Summary of management approach	Promotes a respectful and inclusive workplace by ensuring equal opportunities, preventing discrimination, and supporting diverse talent development for all employees.

SUSTAINABILITY STATEMENT (CONT'D)

Employee Management

Auro places great value on its employees, recognising them as integral to the Group's continued growth and success. We are committed to prioritising employee well-being and satisfaction as a core part of our management philosophy. This includes cultivating an inclusive, supportive, and empowering work environment where individuals can thrive and perform at their best. In line with our forward-looking approach, we continue to invest in employee development programmes to equip our workforce with the skills and capabilities needed to stay competitive and meet future challenges.

- **Training and Development**

We recognise that investing in workforce development is essential to attracting and retaining talent, enhancing operational efficiency, and supporting sustainable long-term growth. Our commitment to employee development is reflected in our structured training initiatives, which are designed to equip employees with the necessary skills and knowledge to perform effectively and contribute meaningfully to the Group's objectives.

Given our core focus in the F&B sector, we place strong emphasis on operational and food safety training. All frontline employees undergo comprehensive onboarding programmes that cover hygiene standards, food handling practices, customer service protocols, and standard operating procedures ("SOPs"). To maintain consistency and uphold quality standards, we provide ongoing food handling training in compliance with relevant health and safety regulations, ensuring that our teams are always up to date with best practices in food safety and service delivery.

To address evolving industry needs and internal performance expectations, we adopt a proactive approach that includes regular skills assessments and feedback mechanisms. Supervisors and department heads conduct performance reviews and on-the-ground observations to identify skill gaps. Based on these assessments, targeted training sessions are implemented to address areas requiring improvement, such as customer engagement, technical skills, or system usage.

We also stay responsive to external changes by mandating training whenever there are updates to regulations or industry requirements that impact our operations. For instance, legislative changes related to food safety, taxation, or employment practices trigger immediate training to ensure compliance and awareness among affected employees.

In addition to a planned annual training calendar, we organise ad-hoc training sessions when new products, tools, or processes are introduced. Employee feedback is actively encouraged and plays a key role in shaping our training approach, allowing us to implement continuous improvements and provide additional support where needed.

Through this structured and responsive development framework, Auro is committed to cultivating a skilled, agile, and future-ready workforce that drives our business forward while delivering exceptional value to our customers. Our training and development programmes in FY 2025 include the following:

No.	Training Programmes
1	E-Invoicing Workshop
2	<i>Kursus Penyelaras Keselamatan dan Kesihatan Pekerjaan (OSH-Coordinator)</i>
3	GHP & HACCP According to HACCP Codex Revision 2022
4	Internal Audit Training According to Codex Revision 2022
5	Employment Act and Labour Law
6	Food Handling Training
7	Sabah Labour Law Amendment
8	<i>Seminar Perburuhan Rang Undang-Undang Pindaan Ordinan Buruh Sabah</i>

SUSTAINABILITY STATEMENT (CONT'D)

In FY 2025, we allocated MYR 27,425 towards diverse training programmes, providing a total of 1,517 hours of training to enhance the skills and capabilities of our workforce.

B6(a) Total hours of training by employee category	2023	2024	2025
Management	60	0	37
Executive	120	0	69
General Workers	0	1,632*	1,411

*Restated

- **Remuneration Packages and Performance Management**

At Auro, we view our employees as the cornerstone of the Group's continued growth and success. We are committed to nurturing a workplace culture built on accountability, collaboration, and mutual respect. Our performance-driven reward and recognition framework is designed to celebrate excellence and encourage ongoing professional development, contributing to a vibrant and motivated workforce.

To support our people, Auro upholds fair and responsible employment practices in line with industry standards. Our comprehensive benefits package includes annual leave, medical coverage, dental, and optical expenses, aimed at promoting employee well-being.

In FY 2025, we welcomed 251 new hires and recorded a total employee turnover of 153. This reflects the evolving needs of our business while reaffirming our commitment to attracting and retaining high-quality talent. Moving forward, we remain focused on cultivating a dynamic and inclusive work environment that empowers our people and supports long-term organisational success.

B6(c) Total number of employee turnover by employee category	2023	2024	2025
Management	0	0	0
Executive	3	2	7
General Workers	8	20	149

Material Topic: Employee Management	
Align with	Human Capital SDG 1: No Poverty SDG 4: Quality Education SDG 8: Decent Work and Economic Growth SDG 10: Reduced Inequalities
Summary of management approach	Focuses on nurturing talent through continuous development, merit-based recognition, and a strong commitment to employee well-being to drive retention, engagement, and long-term growth.

Health and Safety

Safeguarding the health, safety, and well-being of our employees is fundamental to building a resilient and productive organisation. At Auro, we are committed to maintaining a secure workplace that actively minimises risks, prevents incidents, and promotes operational continuity.

Our Occupational Safety and Health ("OSH") initiatives are guided by the OSH Act 1994 (Act 514) and implemented through our dedicated OSH Committee, comprising both employer and employee representatives. This committee is instrumental in promoting compliance, cultivating a culture of safety, and embedding responsible practices throughout our operations.

SUSTAINABILITY STATEMENT (CONT'D)

To reinforce this commitment, we have implemented the following safety measures:

Mandatory use of Personal Protective Equipment (“PPE”) such as gloves, aprons, masks, and hairnets for all relevant operational activities.

Clear safety procedures for handling equipment, which are communicated to all employees through training and visual aids.

Display of DO’s and DON’Ts posters at strategic locations within the workplace to serve as constant reminders of safe behaviour and hygiene practices.

Safety signage installed on all high-risk machinery, alerting employees to potential hazards and guiding proper usage.

The OSH Committee also performs key functions, including:

Conducting regular workplace inspections to identify and mitigate hazards.

Reporting and investigating incidents such as unsafe conditions, accidents, or occupational illnesses.

Reviewing accident reports and recommending preventive actions.

Suggesting safety improvements and risk mitigation strategies.

Periodically evaluating OSH practices and proposing updates.

Maintaining accurate safety records.

Reporting regularly to management on OSH matters.

Supporting OSH awareness campaigns and training programmes.

Our top priority is to ensure that every employee returns home safely at the end of each day. As a result of our strict adherence to safety protocols, we recorded zero lost-time injuries in FY2025 underscoring our steadfast commitment to occupational safety and health.

	2023	2024	2025
B5(a) Number of work-related fatalities	0	0	0
B5(b) Lost time incident rate	0	0	0

Looking ahead, we are committed to continuously enhancing our occupational health and safety practices to safeguard our people and sustain a resilient, high-performing workplace. As part of this effort, we have begun implementing structured health and safety training and will progressively involve more employees to strengthen awareness, build capabilities, and embed a safety-first culture across all levels of the organisation.

SUSTAINABILITY STATEMENT (CONT'D)

	2023	2024	2025
B5(c) Number of employees trained on health and safety standards	N/A	2	2

Material Topic: Health and Safety	
Align with	Human Capital SDG 3: Good Health and Well-being SDG 8: Decent Work and Economic Growth
Summary of management approach	Prioritises proactive risk management, regulatory compliance, and employee involvement to foster a safe, healthy, and resilient workplace.

Contributing to Local Communities

At Auro, we remain committed to building meaningful relationships with the communities in which we operate. Our goal is to foster social inclusion, build trust, and contribute positively to societal development while reinforcing our brand values and long-term stakeholder relationships.

While our Corporate Social Responsibility (“CSR”) activities remained inactive in FY 2025, this was primarily due to the Group’s continued prioritisation of operational consolidation following the expansion of our F&B business segment. As we focused on strengthening internal capabilities and navigating industry challenges, CSR initiatives were temporarily deferred.

	2023	2024	2025
B2(a) Total amount invested in the community where the target beneficiaries are external to Auro (MYR)	0	0	0
B2(b) Total number of beneficiaries (institutions and organisations) of the investment in the communities	0	0	0

Nonetheless, we recognise the value of sustained community engagement and remain intent on revitalising our CSR agenda in the near future. Moving forward, we are actively identifying opportunities and partnerships that align with our business focus and can generate meaningful social impact. Our renewed emphasis on CSR will aim to enhance community well-being while reinforcing Auro’s commitment to responsible and inclusive growth.

Material Topic: Contributing to Local Communities	
Align with	Human Capital SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation, and Infrastructure
Summary of management approach	Adopts a socially responsible approach focused on rebuilding community engagement through strategic planning, stakeholder trust, and long-term social impact.

Summary of management approach Adopts a socially responsible approach focused on rebuilding community engagement through strategic planning, stakeholder trust, and long-term social impact.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE

Anti-corruption



Auro continues to uphold the highest standards of corporate governance by adhering to ethical principles, ensuring legal and regulatory compliance, and fostering a culture grounded in accountability and transparency. Our governance practices are aligned with the Malaysian Code on Corporate Governance (“MCCG”) 2021 and are reinforced through a well-defined risk management and internal control framework.

We remain firmly committed to ethical conduct through our Code of Conduct (“CoC”), which outlines the expected behaviours and core values that guide all employees. We maintain a zero-tolerance policy towards bribery, corruption, fraud, money laundering, and insider trading, and these commitments are further embedded through our Anti-Bribery and Corruption (“ABC”) Policy and Whistleblowing Policy. All key governance documents are publicly available on our corporate website to ensure transparency and accessibility for stakeholders.

To strengthen internal awareness, we are continuing efforts to enhance employee understanding of our ABC policies by revamping internal communication strategies. We are also looking forward to implementing mandatory annual training sessions on anti-bribery and corruption in the upcoming financial year as part of our proactive governance enhancement plan.

B1(a) Percentage of employees who have received training on anti-corruption by employee category	2023	2024	2025
Management	N/A	N/A	N/A
Executive	N/A	N/A	N/A
General Workers	N/A	N/A	N/A

While no major governance incidents were reported, we recognise the importance of continuously improving our governance ecosystem. We aim to formalise and strengthen internal processes for assessing corruption-related risks, ensuring a robust foundation for long-term integrity and sustainable operations.

	2023	2024	2025
B1(b) Percentage of operations assessed for corruption-related risks	0	0	0
B1(c) Confirmed incidents of corruption and action taken	0	0	0

Material Topic: Anti-corruption	
Align with	Governance Capital SDG 16: Peace, Justice, and Strong Institutions
Summary of management approach	Upholding strong corporate governance by promoting ethical conduct, regulatory compliance, and transparent business practices.

SUSTAINABILITY STATEMENT (CONT'D)

Cybersecurity and Data Privacy

Auro is deeply committed to safeguarding the privacy of both our employees and customers, recognising it as a cornerstone of responsible business conduct. In line with this commitment, we strictly comply with our Privacy Policy and the Personal Data Protection Act ("PDPA") 2010 to ensure the highest level of data protection.

We maintain a comprehensive cybersecurity framework embedded within our operations and systems, meeting all regulatory requirements. To further secure our data and systems, we utilize McAfee antivirus software as a critical layer of protection.

As of 28 February 2025, Auro has recorded zero substantiated complaints regarding customer privacy breaches or data loss, demonstrating our ongoing dedication to maintaining excellence in data security and privacy.

	2023	2024	2025
B8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	0	0	0

Material Topic: Cybersecurity and Data Privacy	
Align with	Governance Capital
	SDG 16: Peace, Justice, and Strong Institutions
Summary of management approach	Prioritises strict compliance with data privacy laws and robust cybersecurity measures to ensure the protection of employee and customer information.

Sustainable Supply Chain

We recognise that a reliable and sustainable supply chain is essential to our business, which depends on a diverse network of suppliers. We are committed to fostering sustainable, ethical, and fair supply chains through strong partnerships with our suppliers. Our procurement approach emphasises responsible sourcing and strengthening supply chain resilience by integrating sustainability into every step. We prioritise local suppliers and actively work to support their growth through collaborative initiatives, reflecting our dedication to driving economic progress in the communities we serve.

To uphold stringent quality standards, Auro collaborates only with suppliers who pass a thorough selection and approval process. Our supply chain team rigorously evaluates local suppliers based on product quality, cost, and reliability before recommending them for inclusion on our approved supplier list. Suppliers undergo annual reviews to maintain compliance and performance standards.

To mitigate risks, we maintain a pool of alternative suppliers to ensure uninterrupted supply in cases of delivery delays or shortages. During sourcing, multiple potential suppliers are engaged to address future contingencies. For franchisor-approved raw materials, we prefer local procurement unless otherwise directed.

In FY 2025, Auro achieved 83% procurement from local suppliers, a significant improvement over the previous year reinforcing our commitment to supply chain resilience and local enterprise support, even as we diversify and expand into international markets.

	2023	2024	2025
B7(a) Proportion of spending on local suppliers (%)	100	40	83

Material Topic: Sustainable Supply Chain	
Align with	Governance Capital
	SDG 8: Decent Work and Economic Growth
Summary of management approach	Focuses on building resilient, sustainable, and ethically sourced supply chains through rigorous supplier evaluation and strong local partnerships.

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE

Indicator	Unit	2023	2024	2025	Target
Bursa (Anti-Corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Percentage	N/A	N/A	N/A	
Executive	Percentage	N/A	N/A	N/A	
General Workers	Percentage	N/A	N/A	N/A	
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	0	0	
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0	0	0	
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0	0	
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Management Under 30	Percentage	0	0	0	
Management Between 30-50	Percentage	100	100	100	
Management Above 50	Percentage	0	0	0	
Executive Under 30	Percentage	0	0	64.00	
Executive Between 30-50	Percentage	100	100	31	
Executive Above 50	Percentage	0	0	5	
General Workers Under 30	Percentage	100	100	96	
General Workers Between 30-50	Percentage	0	0	4	
General Workers Above 50	Percentage	0	0	0	

SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Unit	2023	2024	2025	Target
Gender Group by Employee Category					
Management Male	Percentage	67.00	67.00	67.00	
Management Female	Percentage	33.00	33.00	33.00	
Executive Male	Percentage	43.00	63.00	55.00	
Executive Female	Percentage	57.00	37.00	45.00	
General Workers Male	Percentage	50.00	66.00	40.00	
General Workers Female	Percentage	50.00	34.00	60.00	
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	80.00	80.00	80.00	
Female	Percentage	20.00	20.00	20.00	
Under 30	Percentage	20.00	20.00	20.00	
Between 30-50	Percentage	40.00	40.00	40.00	
Above 50	Percentage	40.00	40.00	40.00	
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	282.67	84.91	897.34	
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0	
Bursa C5(c) Number of employees trained on health and safety standards	Number	N/A	2	2	
Bursa (Labour practices and standards)					
Bursa C6(a) Total hours of training by employee category					
Management	Hours	60	0	37	
Executive	Hours	120	0	69	
General Workers	Hours	0	1,632*	1,411	
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	80	31	0	
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	0	0	0	
Executive	Number	3	2	7	
General Workers	Number	8	20	149	
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	

SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Unit	2023	2024	2025	Target
Bursa (Supply chain management)					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100	40	83	
Bursa (Data privacy and security)					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	19.47	7.74	28.54	
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	N/A	0.40	14.81	
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	N/A	0.00	0.00	
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	N/A	0.40	14.81	
Bursa (Emissions management)					
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	11,137.00*	868.76*	1,435.35	
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	214.26*	67.77*	680.18	
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	5.4*	13,106.92	

Internal assurance	External assurance	No assurance	(*) Restated
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SUSTAINABILITY STATEMENT (CONT'D)

ASSURANCE STATEMENT

To bolster the credibility of our Sustainability Statement, specific sections have been subjected to the following:

- Internal Review by the Group's Management Internal Audit Team.
- Independent Assurance in accordance with recognised standards for selected indicators and has been approved by the Group's Audit and Risk Management Committee.

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below:

Type of Assurance	Material Matters	Subject Matter	Scope	Conclusion
Review by Independent Assurance Auditor	Climate Change	Total energy consumption	Operations assessed: Malaysia	Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter as presented in Auro's Sustainability Statement 2025 have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.
		Scope 1 emissions in tonnes of CO ₂ e		
		Scope 2 emissions in tonnes of CO ₂ e		
		Scope 3 emissions in tonnes of CO ₂ e		
Internal Review by Management Internal Audit Team	Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	Operations assessed: Malaysia	Currently in review by the management team.
		Percentage of operations assessed for corruption-related risk		
		Confirmed incidents of corruption and action taken		
	Cybersecurity and Data Protection	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		
	Employee Management	Total hours of training by employee category		
		Total number of employee turnover by employee category		

Moving forward, we are committed to enhancing the accuracy and quality of our data to bolster our disclosures. We aim to achieve this by subjecting all indicators to independent assurance over the next five years. This proactive approach underscores our dedication to transparency and accountability in our sustainability reporting practices.

**Note: In preparing the Subject Matter mentioned above, Auro applied the following criteria:*

- IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles
- Task Force on Climate related Financial Disclosures ("TCFD")
- Auro's relevant policies and procedures

SUSTAINABILITY STATEMENT (CONT'D)

LOOKING FORWARD

Looking forward, Auro remains committed to advancing sustainability across all aspects of our business. We will continue to embed responsible practices into our strategy and operations, focusing on enhancing governance, strengthening environmental performance, and fostering positive social outcomes. This includes upholding the highest standards of ethics, transparency, and corporate governance; reducing our environmental footprint through improved resource efficiency and emissions management; and deepening stakeholder engagement to create shared value. Through these efforts, we aim to build a resilient, responsible, and future-ready organisation that contributes meaningfully to society and the planet.

TCFD-ALIGNED DISCLOSURES

(As recommended by IFRS1 and IFRS2, we can continue using the TCFD recommendations)

TCFD Recommendation	Auro Disclosure	Reference
Governance – Disclose the organisation’s governance around climate-related risks and opportunities		
a) Describe the Board’s oversight of climate -related risks and opportunities	<ul style="list-style-type: none"> Risk management Climate change – Board’s skills and experience Sustainability Committee – role and focus 	<ul style="list-style-type: none"> Governance
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> Risk management Climate change – managing risk and opportunity Sustainability Committee – role and focus in the FY 2025 	<ul style="list-style-type: none"> Governance Environmental
Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	<ul style="list-style-type: none"> Risk management – Risk factors (climate change, greenhouse gas emissions and energy) Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> Materiality Topics
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning.	<ul style="list-style-type: none"> Risk management – Risk factors (climate change, greenhouse gas emissions and energy) Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> Materiality Topics
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> Climate change – evaluating the resilience of our portfolio 	<ul style="list-style-type: none"> Environmental

SUSTAINABILITY STATEMENT (CONT'D)

TCFD Recommendation	Auro Disclosure	Reference
Risk management – Disclose how the organisation identifies, assesses and manages climate-related risks		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> Risk management 	<ul style="list-style-type: none"> Materiality Topics
b) Describe the organisation's processes for managing climate-related risks.	<ul style="list-style-type: none"> Risk management – Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> Materiality Topics Environmental
c) Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management.	<ul style="list-style-type: none"> Risk management non-financial KPIs – sustainability KPIs Risk management – Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> Materiality Topics Environmental
Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – Operational emissions Climate change – Scope 3 emissions 	<ul style="list-style-type: none"> Environmental
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – operational emissions performance Climate change – Scope 3 emissions performance Climate change data 	<ul style="list-style-type: none"> Environmental
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – operational emissions performance for the FY 2025 performance outcomes 	<ul style="list-style-type: none"> Environmental

INDEPENDENT LIMITED ASSURANCE STATEMENT

Independent Limited Assurance Statement

Independent Limited Assurance Statement to the Directors of Auro Holdings Berhad on Sustainability Metrics within the Sustainability Report 2025.

Our Conclusion

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

Scope of Work

ASAP Advisory PLT ("ASAP" or "we") was engaged by Auro Holdings Berhad ("Auro") to perform a 'limited assurance engagement,' as defined by the International Standard on Assurance Engagements ("ISAE") 3000 Revised, Assurance Engagement other than Audits or Review of Historical Financial Information, on selected subject matters ("Subject Matter") included in Auro's 2025 Sustainability Statement ("SS2025") for the financial year ended 28 February 2025.

SUSTAINABILITY STATEMENT (CONT'D)

Subject Matter

Our limited assurance engagement was performed for the Subject Matter listed in the table below, as presented in the SS2025:

Material Matters	Subject Matter	Scope
Climate Change	Total energy consumption	Operations assessed: Malaysia
	Scope 1 emissions in tonnes of CO ₂ e	
	Scope 2 emissions in tonnes of CO ₂ e	
	Scope 3 emissions in tonnes of CO ₂ e	

The scope of our work was limited to the Subject Matter presented in the SS2025 and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter and related disclosures; nor did it include information reported outside of the SS2025, comparisons against historical data, or management's forward-looking statements.

Criteria applied by Auro

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

- IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles Task Force on Climate related Financial Disclosures ("TCFD")
- Auro's relevant policies and procedures

Auro's Responsibilities

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

ASAP's responsibilities

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter and related disclosures as presented in the SS2025 are not prepared, in all material respects, in accordance with the Criteria.

We have performed our limited assurance engagement in accordance with the terms of reference for this engagement agreed with Auro, including performing the engagement in accordance with the ISAE 3000, issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matter and related disclosures as presented in the SS2025 are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of Auro's use of the criteria specified as the basis of preparation used for the selected Subject Matter and related disclosures presented in the SS2025, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter and related disclosures in the SS2025. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

SUSTAINABILITY STATEMENT (CONT'D)

Our Independence and Quality Control

This assurance has been conducted at a limited level according to Global Internal Audit Standards from the IIA2, at a minimum the internal audit function should provide the following assurance over ESG reporting;

- 1) Review reporting metrics for relevancy, accuracy, timeliness and consistency;
- 2) Review reporting for consistency with formal financial disclosure filings;
- 3) Conduct materiality or risk assessments on ESG reporting;

including the Principles contained within the International Integrated Reporting Council ("IIRC"), Task Force on Climate related Financial Disclosures ("TCFD").

Statement of Independence and Competence

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

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

Description of Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

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

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

Our procedures included:

- Gaining an understanding of Auro's business, internal processes and approach to sustainability
- Conducting interviews with key personnel and collating evidence to understand Auro's process for reporting performance indicators and disclosures, including inquiring regarding risks of misstatement and quality controls to address risks
- Conducting limited assurance procedures over the selected Subject Matter and disclosures, including:
 - Undertaking analytical procedures to support the reasonableness of the data
 - Checking that the calculation Criteria have been applied as per the methodologies for the Subject Matter within the Statement
 - Identifying and testing assumptions supporting calculations
 - Testing, on a sample basis, underlying source information to check accuracy of the data
 - Performing recalculations of performance indicators using input data
 - Checking that measurements made at the end of the reporting period are timely entered in the records and the sustainability statement
 - Obtaining appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities

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

SUSTAINABILITY STATEMENT (CONT'D)

Inherent Limitations

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

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

Other Matters

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the SS2025. The maintenance and integrity of Auro's website is the responsibility of Auro's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the Subject Matter and related disclosures, the SS2025 or to our independent limited assurance report that may have occurred since the initial date of presentation on the Auro's website.

Restriction of use

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

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

We agree to the publication of this assurance report in Auro's SS2025 for the financial year ended 28 February 2025, provided it is clearly understood by recipients of the SS2025 that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of this report.

ASAP Advisory PLT
201804000474 (LLP0014854-LGN)

Johor Bahru, Malaysia
9 June 2025

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

In Respect of the Audited Financial Statements for the Financial Year Ended 28 February 2025

The Board of Directors is responsible for ensuring that the financial statements of the Company and its subsidiaries (“**the Group**”) are prepared in accordance with the Companies Act 2016, applicable Malaysian Financial Reporting Standards, and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The financial statements must present a true and fair view of the financial position and performance of the Group at the end of each financial year.

In fulfilling this responsibility, the Directors have ensured the following:

1. The overall conduct of the Group's business is effectively overseen;
2. Principal business risks are identified and a sound system of internal control is in place to manage such risks;
3. Appropriate and consistently applied accounting policies are adopted;
4. The adequacy and integrity of the Group's internal control system are reviewed regularly;
5. Judgments and estimates made are reasonable and prudent; and
6. Compliance with applicable approved accounting standards in Malaysia is ensured.

The Directors are also responsible for maintaining proper accounting records that accurately reflect the financial position of the Group at any given time, and for ensuring compliance with statutory requirements. They are committed to safeguarding the Group's assets and taking reasonable steps to prevent and detect fraud and other irregularities.

The Directors are satisfied that the financial statements for the financial year ended 28 February 2025 have been prepared using appropriate accounting policies, which have been applied consistently and supported by reasonable and prudent judgments and estimates. They further confirm that all relevant approved accounting standards have been complied with, and that the financial statements have been prepared on a going concern basis.

This Statement was approved by the Board on 25 June 2025.

FINANCIAL STATEMENTS



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DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 28 February 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are stated in Note 7 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	7,721,399	3,800,371

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend to be paid for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued share capital of the Company increased from RM46,133,633 to RM53,610,383 via private placement in multiple tranches for working capital purposes as follows:

- the Company issued the first tranche of 11,021,308 new ordinary shares for cash consideration of RM1,500,000 on 21 June 2024.
- the Company issued the second tranche of 11,111,111 new ordinary shares for cash consideration of RM1,500,000 on 13 August 2024.
- the Company issued the third tranche of 10,964,913 new ordinary shares for cash consideration of RM1,500,000 on 9 September 2024.
- the Company issued the final tranche of 24,500,000 new ordinary shares for cash consideration of RM2,976,750 on 6 January 2025.

The new ordinary shares issued rank pari-passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

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 Jyy Yeen
Dato' Yeo Chai Poh
Dato' Tan Lik Houe
Lim Tock Ooi
Tan Wye Chuan

The names of Directors of subsidiary companies are set out in the respective subsidiary companies' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares in the Company or its subsidiary companies during the financial year except as follows:

	No. of ordinary shares		As at 28.02.2025
	As at 01.03.2024	Acquired	
Interest in the Company			
Direct interest			
Dato' Tan Lik Houe	58,188,800	-	- 58,188,800
Dato' Yeo Chai Poh	19,525,466	-	- 19,525,466
Tan Wye Chuan	91,839,500	-	- 91,839,500

By virtue of his interest in the shares of the Company, Dato' Tan Lik Houe, Dato' Yeo Chai Poh and Tan Wye Chuan are also deemed to have interests in the shares of all its subsidiary companies to the extent the Company has an interest.

Other than as disclosed above, according to the register of Directors' shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares in the Company or its subsidiary companies during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

Directors' remuneration is as follows:

	Group RM	Company RM
Directors' remuneration:		
- fees, salaries, allowances and bonus	560,371	429,112
- contribution to Employees Provident Fund	58,800	43,200
	619,171	472,312

SUBSIDIARY COMPANIES

Details of the subsidiary companies are disclosed in Note 7 to the financial statements.

AUDITORS' REMUNERATION

Auditors' remuneration is as follow:

	Group RM	Company RM
HLB Ler Lum Chew PLT		
- Statutory	103,500	52,000
- Non-Statutory	5,000	5,000
	108,500	57,000

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for Directors or officers of the Company in accordance with Section 289 of the Companies Act 2016.

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances which would render:

- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) any amount stated in the financial statements of the Group and of the Company misleading.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

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

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

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, HLB Ler Lum Chew PLT have expressed their willingness to accept re-appointment.

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

TAN JYY YEEN

TAN WYE CHUAN

KUALA LUMPUR
25 JUNE 2025

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, TAN JYY YEEN and TAN WYE CHUAN, being two of the Directors of AURO HOLDINGS BERHAD do hereby state that, in the opinion of the Directors, the financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 28 February 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.

TAN JYY YEEN

TAN WYE CHUAN

KUALA LUMPUR
25 JUNE 2025

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, TAN JYY YEEN, being the Director primarily responsible for the financial management of AURO HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed TAN JYY YEEN)
at Kuala Lumpur)
on 25 JUNE 2025)

TAN JYY YEEN

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AURO HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Auro Holdings Berhad, which comprise the statements of financial position as at 28 February 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 77 to 125.

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 28 February 2025, and of their financial performance and their cash flows for the financial 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 that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Liquidity of the Group and the Company
(Refer to Note 25 to the financial statements)

The Group had reported gross loss from its timber trading and timber treatment services since financial year 2018. The unprofitable operations have significantly impacted the Group's financial performance and liquidity position.

In assessing the liquidity position of the Group and of the Company, management has considered the repayment of cost overheads and other liabilities which are due in the next twelve months, taking into consideration the availability of cash flows over the next twelve months, utilisation of proceeds from private placements and expected cash flows from the newly established food and beverages business.

The risk

We considered this as an area of audit focus due to the significant degree of judgements and estimates used by management in arriving at the cash flow forecast.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF AURO HOLDINGS BERHAD

Key Audit Matters (Cont'd)

1. Liquidity of the Group and the Company (cont'd)
(Refer to Note 25 to the financial statements)

How our audit addressed the key audit matter

Our audit procedures included, but was not restricted to, the following:

- Inquired management as to its knowledge of events or conditions beyond the period of management's going concern assessment;
- Evaluated management's going concern assessment that covers twelve months from the date of financial statements through review of the cash flow forecast;
- Assessed the reasonableness of the management's key assumptions used and judgements exercised on its cash flow forecast; and
- Performed sensitivity test for a range of reasonable possible scenarios; and considered the completeness and accuracy of disclosure in the financial statements.

2. Revenue recognition of food and beverages
(Refer to Note 2.4(o) and 18 to financial statements)

The Group's revenue for the financial year was primarily derived from food and beverage sales, amounting to RM17,631,647, generated across multiple outlets. Given the high volume of daily transactions at various locations, revenue is generally recognised at the point of sale, when control of the goods is transferred to the customer.

The risk

We considered this as an area of audit focus due to the following:

- High volume of daily transactions across numerous locations;
- Reliance on point-of-sale ("POS") systems for accurate recording; and
- Risk of manipulation or errors in revenue cut-off and completeness, especially close to the financial year ended.

How our audit addressed the key audit matter

Our audit procedures included, but was not restricted to, the following:

- Assessed and evaluated the design and implementation of key controls over the revenue recognition process, including the POS systems;
- Tested the operating effectiveness of controls over sales transactions at selected outlets;
- Performed sales analytical review and trend analysis to identify any significant fluctuation throughout the financial year;
- Tested transactions and consider the point of revenue recognition, including cut-off; and
- Evaluated the adequacy of the Group's disclosures in the financial statements relating to revenue recognition.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF AURO HOLDINGS BERHAD

Key Audit Matters (Cont'd)

3. Lease recognition and recoverability of right-of-use ("ROU") assets
(Refer to Note 2.2(a), 2.4(p), 5 and 16 to the financial statements)

The Group operates multiple food and beverage outlets under various lease agreements, which are accounted for in accordance with MFRS 16 Leases. As at 28 February 2025, the Group has recognised significant ROU assets and corresponding lease liabilities in respect of these leases.

The risk

We considered this as an area of audit focus due to the following:

- Significance of lease-related balances to the Group's financial position; and
- Judgements involved in determining the lease term, including options to extend or terminate.

How our audit addressed the key audit matter

Our audit procedures included, but was not restricted to, the following:

- Obtained the understanding of the Group's process for identifying and accounting for lease contracts;
- Evaluated the lease terms used in the recognition of ROU assets and lease liabilities, including management's assumptions on lease extensions or terminations;
- Scrutinised the lease contracts to assess whether lease terms and payments were appropriately captured in the lease accounting model; and
- Evaluated the adequacy of disclosures in the financial statements in accordance with MFRS 16.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF AURO HOLDINGS BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our 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, related safeguards.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF AURO HOLDINGS BERHAD

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

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

Other Matters

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

HLB LER LUM CHEW PLT
201906002362 & AF 0276
Chartered Accountants

TEH WEIL XUAN
03453/10/2025 J
Chartered Accountant

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-Current Assets					
Property, plant and equipment	3	32,058,917	26,355,190	221,322	256,894
Intangible assets	4	281,803	332,978	-	-
Right-of-use assets	5	11,949,428	1,294,948	151,385	216,264
Investment in joint venture	6	-	-	-	-
Investment in subsidiary companies	7	-	-	36,549,049	29,355,471
Deferred tax assets	8	187,704	-	-	-
		44,477,852	27,983,116	36,921,756	29,828,629
Current Assets					
Inventories	9	1,673,106	2,294,683	-	-
Trade receivables	10	88,189	133,160	-	-
Other receivables	11	2,597,570	3,431,822	46,517	54,586
Amount owing by a related company	12	-	160,013	-	160,013
Tax recoverable		154,000	-	4,000	-
Cash and bank balances		793,818	349,761	2,580	57,946
		5,306,683	6,369,439	53,097	272,545
Current Liabilities					
Trade payables	13	187,193	221,922	-	-
Other payables	14	11,144,018	6,571,151	8,396,770	5,138,264
Amount owing to a Director	15	500,000	500,000	500,000	500,000
Provision for taxation		-	514	-	-
Lease liabilities	16	2,130,991	449,300	65,422	61,206
		13,962,202	7,742,887	8,962,192	5,699,470
Net current liabilities		(8,655,519)	(1,373,448)	(8,909,095)	(5,426,925)
		35,822,333	26,609,668	28,012,661	24,401,704
Financed By:					
Share capital	17	53,610,383	46,133,633	53,610,383	46,133,633
Accumulated losses		(28,314,166)	(20,592,767)	(25,829,725)	(22,029,354)
		25,296,217	25,540,866	27,780,658	24,104,279
Non-Current Liabilities					
Other payables	14	230,186	137,711	137,711	137,711
Lease liabilities	16	10,295,930	931,091	94,292	159,714
		10,526,116	1,068,802	232,003	297,425
		35,822,333	26,609,668	28,012,661	24,401,704

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	18	18,917,574	6,953,289	-	-
Cost of sales		(15,275,578)	(6,766,633)	-	-
Gross profit		3,641,996	186,656	-	-
Other income		363,571	1,974,941	300,000	480,355
Administrative expenses		(10,866,245)	(3,188,910)	(3,670,872)	(1,105,614)
Other operating expenses		(321,516)	(912,436)	(397,870)	(709,673)
Finance costs	19	(659,670)	(43,137)	(12,906)	(21,912)
Loss from operation		(7,841,864)	(1,982,886)	(3,781,648)	(1,356,844)
Share of loss from joint venture	6	-	(31,415)	-	-
Loss before taxation	20	(7,841,864)	(2,014,301)	(3,781,648)	(1,356,844)
Taxation	21	120,465	(515)	(18,723)	-
Loss/Total comprehensive loss for the financial year		(7,721,399)	(2,014,816)	(3,800,371)	(1,356,844)
Loss/Total comprehensive loss for the financial year attributable to owners of the Company		(7,721,399)	(2,014,816)	(3,800,371)	(1,356,844)
Loss per share attributable to the owners of the Company (sen) - Basic and diluted	22	(1.28)	(0.35)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

	Note	Share Capital RM	Accumulated Losses RM	Total RM
Group				
At 1 March 2024		46,133,633	(20,592,767)	25,540,866
Loss/Total comprehensive loss for the financial year		-	(7,721,399)	(7,721,399)
Issuance of shares via private placements	17	7,476,750	-	7,476,750
At 28 February 2025		53,610,383	(28,314,166)	25,296,217
<hr/>				
At 1 March 2023		46,133,633	(18,577,951)	27,555,682
Loss/Total comprehensive loss for the financial year		-	(2,014,816)	(2,014,816)
At 29 February 2024		46,133,633	(20,592,767)	25,540,866
<hr/>				
Company				
At 1 March 2024		46,133,633	(22,029,354)	24,104,279
Loss/Total comprehensive loss for the financial year		-	(3,800,371)	(3,800,371)
Issuance of shares via private placements	17	7,476,750	-	7,476,750
At 28 February 2025		53,610,383	(25,829,725)	27,780,658
<hr/>				
At 1 March 2023		46,133,633	(20,672,510)	25,461,123
Loss/Total comprehensive loss for the financial year		-	(1,356,844)	(1,356,844)
At 29 February 2024		46,133,633	(22,029,354)	24,104,279

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash Flows From Operating Activities					
Loss before taxation		(7,841,864)	(2,014,301)	(3,781,648)	(1,356,844)
Adjustments for:					
Amortisation of intangible assets	4	51,175	4,633	-	-
Depreciation of:					
- property, plant and equipment	3	1,746,765	928,044	38,203	21,289
- right-of-use assets	5	1,785,365	170,747	64,879	43,253
Gain on disposal of property, plant and equipment	20	-	(52,538)	-	-
Gain on termination of lease	(a)	(15,629)	-	-	-
Impairment losses on:					
- other receivables	26	-	68,060	-	68,060
- investment in subsidiary companies	7	-	-	188,926	42,397
- related company	20	208,943	598,799	208,943	598,799
Interest expenses		659,670	43,137	12,906	21,912
Interest income		(8,273)	(2,142)	-	-
Provision for slow moving inventories	9	-	174,209	-	-
Reversal of impairment losses on:					
- trade receivables	26	-	(1,518,453)	-	-
- investment in subsidiary companies	7	-	-	(300,000)	(480,355)
- property, plant and equipment	20	-	(32,223)	-	-
Share of loss from joint venture		-	31,415	-	-
Unrealised gain on foreign exchange		51,931	(375)	-	-
Write-off of:					
- property, plant and equipment		-	16,226	-	408
- inventories		10,938	-	-	-
- investment in a subsidiary company		-	-	-	10
Operating loss before changes in working capital		(3,350,979)	(1,584,762)	(3,567,791)	(1,041,071)
Changes in working capital:					
Inventories		610,639	(912,678)	-	-
Trade and other receivables		827,632	(1,294,515)	8,069	(31,736)
Trade and other payables		4,536,943	1,310,948	3,258,506	1,701,017
Amount owing to a Director		-	500,000	-	500,000
Amount owing from a related company		(48,930)	1,246,261	(236,346)	1,212,433
Cash generated from/(used in) operations		2,575,305	(734,746)	(537,562)	2,340,643
Interest received		8,273	2,142	-	-
Tax paid		(220,558)	(1)	(22,723)	-
Net cash generated from/(used in) operating activities		2,363,020	(732,605)	(560,285)	2,340,643
Cash Flows From Investing Activities					
Purchase of property, plant and equipment		(7,450,492)	(1,476,866)	(2,631)	(257,655)
Addition of intangible assets		-	(337,611)	-	-
Proceed from disposal of property, plant and equipment		-	90,099	-	-
Advance to subsidiary companies		-	-	(6,790,088)	(3,927,421)
Investment in a subsidiary company		-	-	(105,000)	(550,000)
Net cash generated used in investing activities		(7,450,492)	(1,724,378)	(6,897,719)	(4,735,076)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash Flows From Financing Activities					
Interest paid		-	(11,101)	-	(11,101)
Proceeds from issuance of shares	17	7,476,750	-	7,476,750	-
Repayment of lease liabilities	(a)	(1,944,881)	(129,227)	(74,112)	(60,509)
Net cash generated from/(used in) financing activities		5,531,869	(129,227)	7,402,638	(60,509)
Net increase/(decrease) in cash and cash equivalents		444,397	(2,586,210)	(55,366)	(2,454,942)
Effect of exchange rate changes		(340)	567	-	-
Cash and cash equivalents at beginning of financial year		349,761	2,935,404	57,946	2,512,888
Cash and cash equivalents at end of financial year		793,818	349,761	2,580	57,946

Notes to statements of cash flows:

(a) Reconciliation of movement of liabilities arising from financing activities

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Lease liabilities					
At beginning of the financial year		1,380,391	32,914	220,920	-
Addition		12,347,370	1,433,567	-	259,517
Gain on termination of lease		(15,629)	-	-	-
Interest expenses		659,670	32,036	12,906	10,811
Repayment of lease liabilities		(1,944,881)	(118,126)	(74,112)	(49,408)
At end of the financial year		12,426,921	1,380,391	159,714	220,920

(b) Purchase of right-of-use assets

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Lease liabilities		12,347,370	1,433,567	-	259,517
Provision of restoration		92,475	-	-	-
		12,439,845	1,433,567	-	259,517

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

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are stated in Note 7 to the financial statements.

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal place of business of the Company is located at No. 5-7, Level 5, Menara MBMR, No. 1, Jalan Syed Putra, 58000 Kuala Lumpur.

2. Basis of Preparation and Material Accounting Policy Information

2.1 Basis of preparation

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

The financial statements have been prepared under the historical cost convention unless otherwise disclosed.

The financial statements of the Group and of the Company do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Group and the Company be unable to continue as going concerns.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying 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, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.2 to the financial statements.

Amendments to accounting standards and amendments to accounting standards that are effective for the Group's and the Company's financial year beginning on or after 1 March 2024 are as follows:

- Amendments to MFRS 16, "Leases" (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Non-current Liabilities with Covenants)
- Amendments to MFRS 107 "Statement of Cash Flows" and MFRS 7 "Financial Instruments: Disclosures" (Supplier Finance Arrangements)

The above amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Group and the Company.

Accounting standards and amendments to accounting standards, that are applicable for the Company in the following periods but are not yet effective:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.1 Basis of preparation (Cont'd)

Annual periods beginning on/after 1 January 2025

- Amendments to MFRS 121, "The Effects of Changes in Foreign Exchange Rates" (Lack of Exchangeability).

Annual periods beginning on/after 1 January 2026

- Annual Improvements to MFRS Accounting Standards – Volume 11
 - Amendments to MFRS 1, "First-time Adoption of Malaysian Financial Reporting Standards"
 - Amendments to MFRS 7, "Financial Instruments: Disclosures"
 - Amendments to MFRS 9, "Financial Instruments"
 - Amendments to MFRS 10, "Consolidated Financial Statements"
 - Amendments to MFRS 107, "Statement of Cash Flows"
- Amendments to MFRS 9, "Financial Instruments" and MFRS 7, "Financial Instruments: Disclosures" (Classification and Measurement of Financial Instruments)

Annual periods beginning on/after 1 January 2027

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

Effective date yet to be determined by the Malaysian Accounting Standards Board

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

The adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Company.

2.2 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Leases

The measurement of the "right-of-use" asset and lease liability for leases where the Group is a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.2 Significant accounting estimates and judgements (Cont'd)

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below: (Cont'd)

(a) Leases (Cont'd)

The lease term is reassessed if an option is exercised (or not exercised) or the Group become obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affect this assessment, and that is within the control of the lessee.

In determining the incremental borrowing rate, the Group first determine the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security, value of economic environmental of the respective leases.

2.3 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

2.4 Material accounting policy information

(a) Basis of consolidation - subsidiary companies

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition related costs are recognised in the profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.4 Material accounting policy information (Cont'd)

(a) Basis of consolidation - subsidiary companies (Cont'd)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

(b) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. The classification either as joint operations or joint ventures depends upon on the contractual rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

A joint venture is accounted for in the financial statements using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and subsequently adjusted to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

In relation to the Group's interest in the joint operation, the Group recognises its assets plus its share of any assets held jointly, liabilities plus its share of any liabilities incurred jointly, revenue from the sale of its share of the output arising from the joint operation plus share of the revenue from the sale of the output by the joint operation and expenses plus its share of any expenses incurred jointly.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.4 Material accounting policy information (Cont'd)

(c) Investments in subsidiary companies

In the Company's separate financial statements, investments in subsidiary companies is carried at cost less accumulated impairment losses. On disposal of investments in subsidiary companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(d) Operating segments

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director that makes strategic decisions.

(e) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year/period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in net in the profit or loss.

Property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:

Buildings and quarters	50 years
Leasehold land	74 to 99 years
Office equipment	5 years
Motor vehicles, plant and machinery	5 to 10 years
Renovation, furniture, fittings and equipment	3 to 10 years
Tools, equipment and factory equipment	5 to 10 years

Depreciation methods, useful lives and residual values are reviewed at end of each reporting period and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.4 Material accounting policy information (Cont'd)

(e) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

(f) Intangible asset

Licences, franchises, patents and trademarks

Acquired licences, franchises, patents and trademarks are shown at cost. Licences, franchises, patents and trademarks acquired in a business combination are recognised at fair value at the acquisition date. Licences, franchises, patents and trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licences, franchises, patents and trademarks over their estimated useful lives of 5 to 10 years.

(g) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.4 Material accounting policy information (Cont'd)

(h) Financial assets

(i) Classification

The Group classifies its financial assets using amortised cost method.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

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

(iii) Subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade and other receivables, amounts owing by subsidiary company and related company.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.4 Material accounting policy information (Cont'd)

(h) Financial assets (Cont'd)

(iv) Impairment

The Group and the Company assess expected credit losses associated with its debt instruments carried at amortised cost and at FVOCI on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

In measuring expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

The Group and the Company define a financial instrument as default, which is aligned with the definition of credit-impaired, when the debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- The debtor is in breach of financial covenants
- Concessions have been made by the Group and the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

The Group and the Company write-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.4 Material accounting policy information (Cont'd)

(i) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss

(j) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the first in first out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balance, deposits with licensed banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three month or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(l) Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.4 Material accounting policy information (Cont'd)

(m) Current and deferred income tax

The tax expense for the year/period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses or unutilised capital allowances can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(n) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.4 Material accounting policy information (Cont'd)

(o) Revenue and income recognition

(i) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

Sale of timber, timber products and information technology products

Revenue from sale of timber and timber products and sales of information technology products are recognised when the Group satisfies a performance obligation by transferring a promised good (i.e. an asset) to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

Sale of marine sand

Revenue from sale of marine sand is recognised when the Group satisfies a performance obligation by transferring a promised good (i.e. an asset) to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

Sale of food and beverages

Revenue from the sale of food and beverages is recognised when the Group has transferred the items to the customer, which occurs at the point of purchase at the outlets. Payment for the transaction is due immediately when the customer purchases and takes delivery of the food and beverages at the outlet.

(ii) Other revenue and income

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Rental income

Rental income is recognised on a straight-line basis over the tenure of the lease.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation and Material Accounting Policy Information (Cont'd)

2.4 Material accounting policy information (Cont'd)

(p) Leases

(i) Accounting by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Group and the Company.

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(ii) Accounting by lessor

The Group and the Company determines at lease inception whether each lease is a finance lease or operating lease. To classify each lease, the Group and the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee.

Operating leases

The Group and the Company classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognises lease payments received under operating leases as lease income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, Plant and Equipment

Group 2025 Cost	Buildings and quarters RM	Motor vehicles, plant and machinery RM	Tools, Renovation, equipment and factory equipment RM	Tools, Renovation, furniture, fittings and equipment RM	Office equipment RM	Leasehold land RM	Total RM
At 1 March 2024	15,440,694	11,176,527	386,049	1,573,368	54,421	14,854,000	43,485,059
Addition	-	-	1,788,694	5,661,798	-	-	7,450,492
At 28 February 2025	15,440,694	11,176,527	2,174,743	7,235,166	54,421	14,854,000	50,935,551
Accumulated depreciation							
At 1 March 2024	3,591,872	8,378,234	53,134	484,634	36,376	1,787,342	14,331,592
Charge for the financial year	478,824	-	283,201	737,816	8,612	238,312	1,746,765
At 28 February 2025	4,070,696	8,378,234	336,335	1,222,450	44,988	2,025,654	16,078,357
Accumulated impairment losses							
At 1 March 2024/28 February 2025	-	2,798,277	-	-	-	-	2,798,277
Carrying amount							
At 28 February 2025	11,369,998	16	1,838,408	6,012,716	9,433	12,828,346	32,058,917

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, Plant and Equipment (Cont'd)

	Buildings and quarters RM	Motor vehicles, plant and machinery RM	Tools, equipment and factory equipment RM	Renovation, furniture, fittings and equipment RM	Office equipment RM	Leasehold land RM	Total RM
Group Cost							
At 1 March 2023	15,442,706	11,388,693	62,680	439,299	83,136	14,854,000	42,270,514
Addition	-	-	344,554	1,132,312	-	-	1,476,866
Disposal	-	(207,967)	-	(849)	-	-	(208,816)
Write-off	-	-	-	(12,114)	(8,825)	-	(20,939)
Reclassification	(2,012)	(4,199)	(21,185)	14,720	(19,890)	-	(32,566)
At 29 February 2024	15,440,694	11,176,527	386,049	1,573,368	54,421	14,854,000	43,485,059
Accumulated depreciation							
At 1 March 2023	3,115,024	8,470,648	53,808	382,675	40,897	1,549,030	13,612,082
Charge for the financial year	478,859	82,906	20,511	97,815	9,641	238,312	928,044
Disposal	-	(171,121)	-	(134)	-	-	(171,255)
Write-off	-	-	-	(1,982)	(2,731)	-	(4,713)
Reclassification	(2,011)	(4,199)	(21,185)	6,260	(11,431)	-	(32,566)
At 29 February 2024	3,591,872	8,378,234	53,134	484,634	36,376	1,787,342	14,331,592
Accumulated impairment losses							
At 1 March 2023	-	2,830,500	-	-	-	-	2,830,500
Reversal during the financial year	-	(32,223)	-	-	-	-	(32,223)
At 29 February 2024	-	2,798,277	-	-	-	-	2,798,277
Carrying amount							
At 29 February 2024	11,848,822	16	332,915	1,088,734	18,045	13,066,658	26,355,190

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Property, Plant and Equipment (Cont'd)

	Renovation, furniture, fittings and equipment RM	Office equipment RM	Total RM
Company			
2025			
Cost			
At 1 March 2024	257,655	43,863	301,518
Addition	2,631	-	2,631
	260,286	43,863	304,149
Accumulated depreciation			
At 1 March 2024	14,756	29,868	44,624
Charge for the financial year	31,703	6,500	38,203
	46,459	36,368	82,827
Carrying amount			
At 28 February 2025	213,827	7,495	221,322
2024			
Cost			
At 1 March 2023	550	43,863	44,413
Addition	257,655	-	257,655
Write-off	(550)	-	(550)
	257,655	43,863	301,518
Accumulated depreciation			
At 1 March 2023	109	23,368	23,477
Charge for the financial year	14,789	6,500	21,289
Write-off	(142)	-	(142)
	14,756	29,868	44,624
Carrying amount			
At 29 February 2024	242,899	13,995	256,894

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Intangible Assets

	Franchise fees RM	Project license RM	Total RM
Group 2025 Cost			
At 1 March 2024/28 February 2025	337,611	306,562	644,173
Accumulated amortisation			
At 1 March 2024	4,633	49,151	53,784
Charge for the financial year	51,175	-	51,175
At 28 February 2025	55,808	49,151	104,959
Accumulated impairment losses			
At 1 March 2024/28 February 2025	-	257,411	257,411
Carrying amount			
At 28 February 2025	281,803	-	281,803
2024 Cost			
At 1 March 2023	-	306,562	306,562
Addition	337,611	-	337,611
At 29 February 2024	337,611	306,562	644,173
Accumulated amortisation			
At 1 March 2023	-	49,151	49,151
Charge for the financial year	4,633	-	4,633
At 29 February 2024	4,633	49,151	53,784
Accumulated impairment losses			
At 1 March 2023/29 February 2024	-	257,411	257,411
Carrying amount			
At 29 February 2024	332,978	-	332,978

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Right-of-Use Assets

	Outlet RM	Office RM	Total RM
Group			
2025			
Cost			
At 1 March 2024	1,174,050	318,830	1,492,880
Additions	12,439,845	-	12,439,845
Termination	-	(59,313)	(59,313)
	<hr/>	<hr/>	<hr/>
At 28 February 2025	13,613,895	259,517	13,873,412
Accumulated depreciation			
At 1 March 2024	97,837	100,095	197,932
Charge for the financial year	1,718,015	67,350	1,785,365
Termination	-	(59,313)	(59,313)
	<hr/>	<hr/>	<hr/>
At 28 February 2025	1,815,852	108,132	1,923,984
Carrying amount			
At 28 February 2025	<hr/>	<hr/>	<hr/>
	11,798,043	151,385	11,949,428
2024			
Cost			
At 1 March 2023	-	59,313	59,313
Additions	1,174,050	259,517	1,433,567
	<hr/>	<hr/>	<hr/>
At 29 February 2024	1,174,050	318,830	1,492,880
Accumulated depreciation			
At 1 March 2023	-	27,185	27,185
Charge for the financial year	97,837	72,910	170,747
	<hr/>	<hr/>	<hr/>
At 29 February 2024	97,837	100,095	197,932
Carrying amount			
At 29 February 2024	<hr/>	<hr/>	<hr/>
	1,076,213	218,735	1,294,948

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Right-of-Use Assets (Cont'd)

	Company	
	2025	2024
	RM	RM
Office Cost		
At 1 March	259,517	-
Additions	-	259,517
	259,517	259,517
Accumulated depreciation		
At 1 March	43,253	-
Charge for the financial year	64,879	43,253
	108,132	43,253
Carrying amount		
At 28 February/29 February	151,385	216,264

6. Investment in Joint Venture

	Group	
	2025	2024
	RM	RM
At beginning of the financial year	-	31,415
Share of loss during the financial year	-	(31,415)
	-	-
At end of the financial year	-	-

(a) The details of the incorporated joint ventures are as follows:

Name of companies	Country of incorporation and place of business	Effective ownership and voting interest (%)		Principal activities
		2025	2024	
		NOOA Marine Sdn. Bhd.	Malaysia	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. Investment in Joint Venture (Cont'd)

(b) Set out below are summarised financial information for the joint ventures which are accounted for using equity method.

(i) Summarised statement of financial position

	NOOA Marine Sdn. Bhd.	
	2025	2024
	RM	RM
Current assets	31,818	168,309
Current liabilities	(816,127)	(767,108)
Net liabilities	<u>(784,309)</u>	<u>(598,799)</u>
Included in net assets are as follows:		
Cash and cash equivalents	513	759
Current financial liabilities (excluding trade payables)	<u>(807,742)</u>	<u>(758,812)</u>

(ii) Summarised statement of profit or loss and comprehensive income

	NOOA Marine Sdn. Bhd.	
	2025	2024
	RM	RM
Revenue	-	(48,000)
Cost of sales	-	(425,446)
Gross loss	-	(473,446)
Interest income	-	11,696
Administration expenses	(185,510)	(186,836)
Loss before taxation	(185,510)	(648,586)
Taxation	-	-
Loss/Total comprehensive loss for the financial year	<u>(185,510)</u>	<u>(648,586)</u>

(iii) Reconciliation of summarised financial information

	NOOA Marine Sdn. Bhd.	
	2025	2024
	RM	RM
Net liabilities	(784,309)	(598,799)
Interest in joint ventures (51%)	<u>_*</u>	<u>_*</u>

*The Group has not recognised its share of loss during the financial year in the joint venture amounting to RM94,610 (2024: RM299,364) as the accumulated losses of the joint venture has exceeded the Group's investment in that joint venture. The Group's accumulated losses not recognised at the end of the reporting period is RM393,974 (2024: RM299,364).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investment in Subsidiary Companies

(a) Investment in subsidiary companies

	Company	
	2025	2024
	RM	RM
Unquoted shares, at cost	55,995,719	55,890,719
Advances to subsidiary companies treated as quasi-investment	74,309,379	67,360,683
	<hr/>	<hr/>
	130,305,098	123,251,402
Less: Accumulated impairment losses	(93,756,049)	(93,895,931)
	<hr/>	<hr/>
	36,549,049	29,355,471
	<hr/>	<hr/>

The advances to subsidiary companies are unsecured, interest-free with no fixed terms of repayment. The settlement of the advances is neither planned nor likely in the foreseeable future and they are determined to form part of the Company's net investment in the subsidiary companies.

The movement on the impairment losses are as follows:

	Company	
	2025	2024
	RM	RM
At beginning of the financial year	93,895,931	94,333,889
Charge during the financial year	188,926	42,397
Reversal during the financial year	(300,000)	(480,355)
Write off during the financial year	(28,808)	-
	<hr/>	<hr/>
At end of the financial year	93,756,049	93,895,931
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investment in Subsidiary Companies (Cont'd)

(b) The subsidiary companies and shareholdings therein are as follows:

Name of companies	Country of incorporation and place of business	Effective ownership and voting interest (%)		Principal activities
		2025	2024	
Auro Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing and selling of timber and timber products, provision of kiln drying services and trading of agriculture products.
Auro O&M Sdn. Bhd.	Malaysia	100	100	Business of provision of consultancy, supply of information technology solution or product which brings simplification to business.
Auro Builder Sdn. Bhd.	Malaysia	100	100	Inactive.
Auro Resources Sdn. Bhd.	Malaysia	100	100	Property management, development and construction and investment holding.
Auro Aquatech Sdn. Bhd.	Malaysia	100	100	Supply of seafood to overseas and local.
Auro Marine Sdn. Bhd.	Malaysia	100	100	Dredge, excavate and transport of marine sand, trading of sand and other general, chartering of vessels and other ancillary services.
Auro Capital Sdn. Bhd.	Malaysia	100	100	Business of food and beverage ("F&B") including F&B shop operations, selling merchandise in store, offering a variety of beverages and foods to customers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Deferred Tax Assets

	Group	
	2025 RM	2024 RM
At 1 March	-	-
Recognised in profit or loss (Note 21)	187,704	-
At 28 February/29 February	187,704	-

The components of deferred tax assets and liability of the Company during the financial year prior to offsetting are as follows:

	Group	
	2025 RM	2024 RM
Deferred tax assets:		
- Unabsorbed capital allowances	345,448	-
- Others	12,382	-
	357,830	-
Offsetting	(170,126)	-
Net deferred tax assets	187,704	-
Deferred tax liability:		
- Property, plant and equipment	170,126	-
Offsetting	(170,126)	-
Net deferred tax liability	-	-

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Property, plant and equipment	(3,614,313)	(4,470,320)	(16,987)	(77,496)
Unutilised tax losses	58,750,792	54,730,859	4,561,574	1,541,513
Provision	7,853,625	7,853,625	-	-
Leases	-	80,787	-	-
Others	340	(376)	-	-
	62,990,444	58,194,575	4,544,587	1,464,017
Deferred tax assets not recognised at 24% (2024: 24%)	15,117,707	13,966,698	1,090,701	351,364

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Deferred Tax Assets (Cont'd)

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

The Group's unutilised tax losses brought forward from year of assessment 2018 and before, can be carried forward for 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028). Unutilised tax losses from year of assessment 2019 onwards can be carry forward for a maximum period of 10 consecutive years.

Year of expiry of unutilised tax losses and pioneer tax losses is analysed as follows:

	Group	
	2025 RM	2024 RM
Expiring in 2028	42,466,982	42,466,982
Expiring in 2029	2,069,279	2,069,279
Expiring in 2030	3,188,425	3,188,425
Expiring in 2031	2,402,778	2,402,778
Expiring in 2032	2,619,438	2,619,438
Expiring in 2033	1,682,544	1,682,544
Expiring in 2034	301,413	301,413
Expiring in 2035	4,019,933	-
	58,750,792	54,730,859

9. Inventories

	Group	
	2025 RM	2024 RM
At cost		
Raw materials	794,788	1,263,034
Work-in-progress	788,052	788,052
Finished goods	253,567	253,567
Consumables	314,626	467,957
	2,151,033	2,772,610
Less: Provision for slow moving inventories	(477,927)	(477,927)
	1,673,106	2,294,683

The cost of inventories recognised as an expense and included in cost of sales amounted to RM5,721,320 (2024: RM2,274,073).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Inventories (Cont'd)

The movement of the provision for slow moving inventories are as follows:

	Group	
	2025 RM	2024 RM
At beginning of the financial year	477,927	303,718
Charge for the financial year	-	174,209
At end of the financial year	477,927	477,927

10. Trade Receivables

	Group	
	2025 RM	2024 RM
Trade receivables	120,260	165,231
Less: Accumulated impairment losses (Note 26)	(32,071)	(32,071)
	88,189	133,160

The Group's normal trade credit terms ranges from 0 to 90 days (2024: 0 to 90 days).

11. Other Receivables

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables		478,376	286,483	68,060	68,893
Less: Accumulated impairment losses	26	(251,125)	(251,125)	(68,060)	(68,060)
		227,251	35,358	-	833
Deposits	(a)	8,934,170	8,320,320	24,566	24,178
Less: Accumulated impairment losses	26	(6,803,000)	(6,803,000)	-	-
		2,131,170	1,517,320	24,566	24,178
Prepayments	(b)	239,149	1,879,144	21,951	29,575
Total		2,597,570	3,431,822	46,517	54,586

(a) Included in deposits consists of:

- (i) A partial payment of RM4,100,000 (2024: RM4,100,000) made for the acquisition of 30% equity interest in a company incorporated in the United States of America as disclosed in Note 28(a) to the financial statements;
- (ii) A deposit of RM1,600,000 (2024: RM1,600,000) paid to a supplier for the concession of timber from a particular land; and
- (iii) An advance payment of RM RM1,000,000 (2024: RM1,000,000) made to a supplier for goods purchases.

(b) Included in prepayment of the Group amounting to RMNil (2024: RM1,084,756) is advance payment for inventories related to new outlets commenced operation after the financial year end.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. Amount Owing by a Related Company

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Amount owing by related company	807,742	758,812	807,742	758,812
Less: Accumulated impairment losses	(807,742)	(598,799)	(807,742)	(598,799)
	-	160,013	-	160,013

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

The movement of the accumulated impairment losses are as follows:

	Group/Company	
	2025 RM	2024 RM
At beginning of the financial year	598,799	-
Charge for the financial year	208,943	598,799
At end of the financial year	807,742	598,799

13. Trade Payables

The normal trade credit terms granted to the Group ranges from 0 to 30 days (2024: 0 to 30 days).

14. Other Payables

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Current liabilities					
Other payables	(a)	9,616,756	4,184,090	7,936,552	3,897,703
Amount owing to former key management personnels	(b)	320,157	1,100,156	320,157	1,100,156
Amount owing to a former director	(c)	19,073	19,073	19,073	19,073
Deposits received		86,836	86,499	-	-
Accruals		1,101,196	1,181,333	120,988	121,332
		11,144,018	6,571,151	8,396,770	5,138,264
Non-current liabilities					
Other payables		92,475	-	-	-
Amount owing to a former director	(c)	137,711	137,711	137,711	137,711
Total		11,374,204	6,708,862	8,534,481	5,275,975

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. Other Payables (Cont'd)

(a) Other payables consists of:

- (i) an amount of RM5,950,000 (2024: RM3,750,000) owing to related parties by the Group and the Company, in which certain Directors have interest in the company.
 - (ii) a balance of tax penalty amounting to RM1,828,689 (2024: RMNil) as further detailed in Note 20 to the financial statements.
- (b) Amount owing to former key management personnels amounting to RM253,600 (2024: RM253,600) bear interest of Nil (2024: 3.50%) per annum, non-trade in nature and repayable on demand. The remaining balance of amount owing to former key management personnels amounting to RM66,557 (2024: RM846,556) bear interest of Nil (2024: 3.50%) per annum, non-trade in nature and repayable on agreed terms.
- (c) There are no fixed terms for the amount owing to a former director.

15. Amount owing to Director

This amount is non-trade in nature, unsecured, interest-free and repayable on demand.

16. Lease Liabilities

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Repayable within twelve months	2,130,991	449,300	65,422	61,206
Repayable after twelve months	10,295,930	931,091	94,292	159,714
	<u>12,426,921</u>	<u>1,380,391</u>	<u>159,714</u>	<u>220,920</u>

The effective interest rate ranges from 6.68% to 6.89% (2024: 5.49% to 6.89%) per annum.

17. Share Capital

	Group/Company			
	Number of shares		Amount	
	2025 Units	2024 Units	2025 RM	2024 RM
Issued and fully paid				
At beginning of the financial year	579,040,600	579,040,600	46,133,633	46,133,633
Issuance of shares via private placements	57,597,332	-	7,476,750	-
At end of the financial year	<u>636,637,932</u>	<u>579,040,600</u>	<u>53,610,383</u>	<u>46,133,633</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. Share Capital (Cont'd)

During the financial year, the issued share capital of the Company increased from RM46,133,633 to RM53,610,383 via private placement in multiple tranches for working capital purposes as follows:

- (a) the Company issued the first tranche of 11,021,308 new ordinary shares for cash consideration of RM1,500,000 on 21 June 2024.
- (b) the Company issued the second tranche of 11,111,111 new ordinary shares for cash consideration of RM1,500,000 on 13 August 2024.
- (c) the Company issued the third tranche of 10,964,913 new ordinary shares for cash consideration of RM1,500,000 on 9 September 2024.
- (d) the Company issued the final tranche of 24,500,000 new ordinary shares for cash consideration of RM2,976,750 on 6 January 2025.

18. Revenue

	Group	
	2025 RM	2024 RM
Revenue recognised from contracts with customers:		
- Sale of timber and timber products	1,285,927	2,143,057
- Kiln drying and timber treatment services	-	853
- Sale of marine sand	-	2,319,900
- Sale of food and beverages	17,631,647	2,489,479
	18,917,574	6,953,289
Geographical market		
- Export	1,200,719	1,634,814
- Domestic	17,716,855	5,318,475
	18,917,574	6,953,289
Timing of revenue recognition		
- At a point in time	18,917,574	6,952,436
- Over time	-	853
	18,917,574	6,953,289

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. Finance Costs

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest charged on:				
- advance from a former key management personnel	-	11,101	-	11,101
- leases liabilities	659,670	32,036	12,906	10,811
	<u>659,670</u>	<u>43,137</u>	<u>12,906</u>	<u>21,912</u>

20. Loss Before Taxation

Loss before taxation is derived at after charging/(crediting):

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration				
- statutory	103,500	95,000	52,000	52,000
- non-statutory	5,000	5,000	5,000	5,000
Amortisation of intangible assets	51,175	4,633	-	-
Depreciation of:				
- property, plant and equipment	1,746,765	928,044	38,203	21,289
- right-of-use assets	1,785,365	170,747	64,879	43,253
Expenses relating to:				
- short-term lease	189,365	36,737	-	-
- variable lease payment not included in the measurement of lease liabilities	548,553	163,932	-	-
Gain on disposal of property, plant and equipment	-	(52,538)	-	-
Gain on termination of lease	(15,629)	-	-	-
Impairment losses on:				
- other receivables	-	68,060	-	68,060
- investment in subsidiary companies	-	-	188,926	42,397
- related company	208,943	598,799	208,943	598,799
Interest income	(8,273)	(2,142)	-	-
Provision for slow moving inventories	-	174,209	-	-
Reversal of impairment losses on:				
- trade receivables	-	(1,518,453)	-	-
- investment in subsidiary companies	-	-	(300,000)	(480,355)
- property, plant and equipment	-	(32,223)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. Loss Before Taxation (Cont'd)

Loss before taxation is derived at after charging/(crediting) (Cont'd):

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Realised loss on foreign exchange	43,819	47,538	-	-
Rental income	(341,328)	(347,955)	-	-
Share of loss from joint venture	-	31,415	-	-
Tax penalty*	2,352,113	-	2,352,113	-
Unrealised loss/(gain) on foreign exchange	51,931	(375)	-	-
Write-off of:				
- property, plant and equipment	-	16,226	-	408
- investment in subsidiary company	-	-	-	10
- inventories	10,938	-	-	-

* The tax penalty relates to a transfer pricing audit conducted by the Inland Revenue Board of Malaysia, covering the financial years 2017 to 2022. The Company is currently in the process of appealing the tax assessment.

21. Taxation

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current taxation:				
- Current year taxation	-	514	-	-
- Under provision in prior year	67,239	1	18,723	-
	67,239	515	18,723	-
Deferred taxation: (Note 8)				
- Origination and reversal of temporary differences	(198,967)	-	-	-
- Under provision of deferred tax assets in prior year	11,263	-	-	-
	(187,704)	-	-	-
Taxation for the financial year	(120,465)	515	18,723	-

Income tax is calculated at the statutory tax rate of 24% (2024: 24%) on the chargeable income of the estimated assessable loss for the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. Taxation (Cont'd)

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss before taxation	(7,841,864)	(2,014,301)	(3,781,648)	(1,356,844)
Share of results of joint venture, net of tax	-	31,415	-	-
Loss before taxation and share of results of joint venture	(7,841,864)	(1,982,886)	(3,781,648)	(1,356,844)
Taxation at statutory tax rate of 24% (2024: 24%)	(1,882,047)	(475,893)	(907,596)	(325,643)
Non-deductible expenses	615,334	465,821	240,259	279,906
Income not subject to tax	(72,000)	(118,679)	(72,000)	(115,285)
Deferred tax assets not recognised	1,139,746	489,862	739,337	161,022
Utilisation of previously unrecognised deferred tax assets	-	(360,597)	-	-
Under provision of current taxation in prior year	67,239	1	18,723	-
Under provision of deferred tax in prior year	11,263	-	-	-
Taxation for the financial year	(120,465)	515	18,723	-

22. Loss Per Share

(a) Basic loss per share

Basic loss per share is calculated by dividing the consolidated loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares issued during the financial year.

	Group	
	2025 RM	2024 RM
Loss for the financial year attributable to owners of the Company	(7,721,399)	(2,014,816)
Weighted average number of ordinary shares in issue	601,590,034	579,040,600
Basic loss per share (sen)	(1.28)	(0.35)

(b) Diluted loss per share

The diluted loss per share is equal to basic loss per share as the Company does not have any dilutive potential ordinary shares as at financial year end.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. Staff Costs

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Staff costs (excluding Directors)	5,307,299	1,384,999	108,858	55,165

Included in staff costs above are contributions made to the Employee Provident Fund (“EPF”) under a defined contribution plan for the Group and the Company amounting to RM422,345 and RM11,680 (2024: RM89,189 and RM6,240).

24. Related Party Disclosures

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

The significant related party transactions of the Group and of the Company, other than key management personnel compensation, are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Transaction with a former key management personnel and a relative of a key management personnel				
Interest expenses	-	11,101	-	11,101

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

The key management personnel compensation is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Executive directors</u>				
- Salaries and other emoluments	490,000	390,000	360,000	360,000
- Defined contribution plan	58,800	46,800	43,200	43,200
- Other benefits	3,771	2,511	2,512	2,318
	552,571	439,311	405,712	405,518
<u>Non-executive directors</u>				
- Salaries and other emoluments	66,600	-	66,600	-
Total	619,171	439,311	472,312	405,518

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. Segment Information

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

The reportable business segments of the Group comprise the following:

Moulding and timber	:	Manufacturing and selling of timber and timber products and provision of kiln drying and timber treatment services.
Sale of food and beverages	:	Business of food and beverage including F&B shop operations, selling merchandise in store, offering a variety of beverages and food to customers.
Investment holding	:	Investment holding
Others	:	Dormant subsidiaries and marine sand business.

Segment revenue, results and assets 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 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 of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total assets are used to measure the return of assets of each segment.

The total segment liabilities are measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. Segment Information (Cont'd)

(a) Business segments

	Moulding and timber RM	Sale of food and beverages RM	Investment holding RM	Others RM	Total RM
2025					
Revenue					
External operating revenue	1,285,927	17,631,647	-	-	18,917,574
Results:					
Adjusted EBITDA*	16,059	330,418	(3,567,791)	(129,665)	(3,350,979)
Amortisation of intangible assets -	(51,175)	-	-	(51,175)	
Depreciation of:					
- property, plant and equipment	(731,783)	(973,075)	(38,203)	(3,704)	(1,746,765)
- right-of-use assets	-	(1,718,015)	(64,879)	(2,471)	(1,785,365)
Gain on termination of lease	-	-	-	15,629	15,629
Impairment loss on related company	-	-	(208,943)	-	(208,943)
Interest expenses	-	(646,764)	(12,906)	-	(659,670)
Interest income	-	8,273	-	-	8,273
Unrealised gain/(loss) on foreign exchange	-	(51,591)	-	(340)	(51,931)
Write-off of inventories	-	(10,938)	-	-	(10,938)
Loss before taxation	(715,724)	(3,112,867)	(3,892,722)	(120,551)	(7,841,864)
Taxation	-	142,992	(18,723)	(3,804)	120,465
Loss for the financial year	(715,724)	(2,969,875)	(3,911,445)	(124,355)	(7,721,399)
Other information					
Addition of:					
- property, plant and equipment	-	7,447,861	2,631	-	7,450,492
- right-of-use assets	-	12,439,845	-	-	12,439,845
Segment assets	25,683,737	23,627,503	425,804	47,491	49,784,535
Segment liabilities	162,349	15,021,930	9,194,195	109,844	24,488,318

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. Segment Information (Cont'd)

(a) Business segments (Cont'd)

	Moulding and timber RM	Sale of food and beverages RM	Investment holding RM	Others RM	Total RM
2024					
Revenue					
External operating revenue	2,143,910	2,489,479	-	2,319,900	6,953,289
Results:					
Adjusted EBITDA*	(312,447)	105,667	(1,043,987)	(333,995)	(1,584,762)
Amortisation of intangible assets	-	(4,633)	-	-	(4,633)
Depreciation of:					
- property, plant and equipment	(817,556)	(83,839)	(21,289)	(5,360)	(928,044)
- right-of-use assets	-	(97,837)	(43,253)	(29,657)	(170,747)
Gain/(Loss) on disposal of property, plant and equipment	53,153	-	-	(615)	52,538
Impairment loss on:					
- other receivables	-	-	(68,060)	-	(68,060)
- related company	-	-	(598,799)	-	(598,799)
Interest expenses	-	(20,339)	(21,912)	(886)	(43,137)
Interest income	-	2,142	-	-	2,142
Provision for slow moving inventories	(174,209)	-	-	-	(174,209)
Reversal of impairment loss on:					
- trade receivables	-	-	-	1,518,453	1,518,453
- property, plant and equipment	32,223	-	-	-	32,223
Share of loss of joint venture	-	-	-	(31,415)	(31,415)
Unrealised gain/(loss) on foreign exchange	-	(192)	-	567	375
Write-off of property, plant and equipment	(887)	-	(408)	(14,931)	(16,226)
Loss before taxation	(1,219,723)	(99,031)	(1,797,708)	1,102,161	(2,014,301)
Taxation	-	(514)	-	(1)	(515)
Loss for the financial year	(1,219,723)	(99,545)	(1,797,708)	1,102,160	(2,014,816)
Other information					
Addition of:					
- property, plant and equipment	-	1,219,211	257,655	-	1,476,866
- intangible assets	-	337,611	-	-	337,611
- right-of-use assets	-	1,174,050	259,517	-	1,433,567
Segment assets	26,475,368	7,089,649	745,703	41,835	34,352,555
Segment liabilities	517,735	2,165,504	5,996,895	131,555	8,811,689

* Adjusted earnings before interest, taxes, depreciation and amortisation (excluded other significant non-cash items)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. Segment Information (Cont'd)

(b) Geographical segments

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets. The amount of non-current assets does not include financial instruments and deferred tax assets.

	South Malaysia RM	China RM	Singapore RM	Korea RM	Total RM
2025					
Revenue	17,716,854	-	394,764	805,956	18,917,574
Non-current assets	44,290,148	-	-	-	44,290,148
2024					
Revenue	5,318,475	166,228	463,166	1,005,420	6,953,289
Non-current assets	27,983,116	-	-	-	27,983,116

(c) Information about major customers

There is no major customer with revenue equal or more than 10% of the Group's revenue arising from sales during the year and prior year.

26. Financial Instruments

The following table analyses the financial assets and financial liabilities of the Group and of the Company by the classes and categories of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets and liabilities at amortised cost 2025 RM	Financial assets and liabilities at amortised cost 2024 RM
Group		
Financial assets		
Trade receivables	88,189	133,160
Other receivables	2,358,421	1,552,678
Amount owing by a related company	-	160,013
Cash and bank balances	793,818	349,761
	3,240,428	2,195,612

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Financial Instruments (Cont'd)

The following table analyses the financial assets and financial liabilities of the Group and of the Company by the classes and categories of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Financial assets and liabilities at amortised cost 2025 RM	Financial assets and liabilities at amortised cost 2024 RM
Financial liabilities		
Trade payables	187,193	221,922
Other payables	11,374,204	6,708,862
Amount owing to a Director	500,000	500,000
Lease liabilities	12,426,921	1,380,391
	24,488,318	8,811,175
Company		
Financial assets		
Other receivables	24,566	25,011
Amount owing by related company	-	160,013
Cash and bank balances	2,580	57,946
	27,146	242,970
Financial liabilities		
Other payables	8,534,481	5,275,975
Amount owing to a Director	500,000	500,000
Lease liabilities	159,714	220,920
	9,194,195	5,996,895

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Financial Instruments (Cont'd)

Financial risk management

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty of a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade and other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of trade receivables ageing. At the reporting date, there were no significant concentrations of credit.

The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statements of financial position.

The ageing analysis of the Group's trade receivables are as follows:

	Group	
	2025	2024
	RM	RM
Neither past due nor individually impaired	15,187	6,060
Past due but not individually impaired		
- Between 1-30 days	32,680	4,422
- Between 31-120 days	35,122	30,373
- More than 120 days	5,200	92,305
	73,002	127,100
Individually impaired	32,071	32,071
	120,260	165,231

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

The Group's trade receivables of RM73,002 (2024: RM127,100) were past due but not individually impaired. These relate to a number of independent customers for whom there is no recent history of default.

The Group's trade receivables of RM32,071 (2024: RM32,071) were individually impaired. The individually impaired receivables mainly relate to customers which are facing difficulties in cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Financial Instruments (Cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Movements of the Group's and the Company's provision for impairment losses of trade receivables, other receivables and deposits are as follows:

	Trade receivables RM	Other receivables RM	Deposits RM	Total RM
Group				
2025				
At 1 March 2024/28 February 2025	32,071	251,125	6,803,000	7,086,196
Represented by:				
Individually impaired	32,071	251,125	6,803,000	7,086,196
2024				
At 1 March 2023	1,550,524	6,698,150	6,803,000	15,051,674
Charge during the financial year	-	68,060	-	68,060
Reversal during the financial year	(1,518,453)	-	-	(1,518,453)
Write off during the financial year	-	(6,515,085)	-	(6,515,085)
At 29 February 2024	32,071	251,125	6,803,000	7,086,196
Represented by:				
Individually impaired	32,071	251,125	6,803,000	7,086,196

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Financial Instruments (Cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

	Other receivables RM
Company	
2025	
At 1 March 2024/28 February 2025	68,060
Represented by:	
Individually impaired	68,060
2024	
At 1 March 2023	-
Charge during the financial year	68,060
At 29 February 2024	68,060
Represented by:	
Individually impaired	68,060

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from trade and other payables, amount owing to a Director and lease liabilities.

Cash flow forecasting is performed by monitoring the Group's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

The Directors have prepared a cash flow forecast indicating that obligations will be funded through available cash balances, proceeds from private placements, expected cash flows from the newly established food and beverages business, and ongoing support from lenders and creditors.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Financial Instruments (Cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

The Directors are of the opinion that the Group will have sufficient financial resources for a period of at least 12 months from the end of the financial year. Significant assumptions and judgements are used in the preparation of the cash flow forecast.

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

	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Below 1 year RM	Between 1 to 2 years RM	Between 2 to 5 years RM
Group						
2025						
Trade payables	187,193	-	187,193	187,193	-	-
Other payables	11,374,204	-	11,374,204	11,236,493	137,711	-
Amount owing to a Director	500,000	-	500,000	500,000	-	-
Lease liabilities	12,426,921	6.68 - 6.89	14,757,915	2,921,037	5,937,001	5,899,877
	24,488,318		26,819,312	14,844,723	6,074,712	5,899,877
2024						
Trade payables	221,922	-	221,922	221,922	-	-
Other payables	6,708,862	-	6,708,862	6,571,151	137,711	-
Amount owing to a Director	500,000	-	500,000	500,000	-	-
Lease liabilities	1,380,391	5.49 - 6.89	1,524,238	529,970	895,452	98,816
	8,811,175		8,955,022	7,823,043	1,033,163	98,816

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Financial Instruments (Cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

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

	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Below 1 year RM	Between 1 to 2 years RM	Between 2 to 5 years RM
Company						
2025						
Other payables	8,534,481	-	8,534,481	8,396,770	137,711	-
Amount owing to a Director	500,000	-	500,000	500,000	-	-
Lease liabilities	159,714	6.68	172,928	74,112	98,816	-
	9,194,195		9,207,409	8,970,882	236,527	-
2024						
Other payables	5,275,975	-	5,275,975	5,138,264	137,711	-
Amount owing to a Director	500,000	-	500,000	500,000	-	-
Lease liabilities	220,920	6.68	247,040	74,112	74,112	98,816
	5,996,895		6,023,015	5,712,376	211,823	98,816

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Financial Instruments (Cont'd)

Financial risk management (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's financial position and cash flows. The Group and the Company are not exposed to significant foreign exchange risk and price risk.

(a) Cash flow and fair value interest rate risk

The Group's and the Company's fixed rate borrowings are not exposed to a risk of change in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed rate instruments				
Financial liabilities	(320,157)	(1,100,156)	(320,157)	(1,100,156)

Since the Group's and the Company's fixed rate financial liabilities is measured at amortised cost, possible changes in interest rates are not expected to have a significant impact on the Group's and the Company's profit or loss.

Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and borrowings reasonably approximate their fair values, either due to the relatively short-term nature or that they are floating rate instruments that are re-priced to market interest rate on or near the end of the reporting period.

The aggregate fair value of the other financial assets carried on the statements of financial position approximate its carrying value and the Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be recorded. Therefore, the fair value hierarchy is not presented.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. Capital Management

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholder value. The Group is not subject to externally imposed capital requirements.

28. Material Litigation

(a) Auro Builder Sdn. Bhd. ("ABSB") vs Ismail Bin Hassan

On 12 January 2023, ABSB had issued a Notice of Arbitration against Ismail Bin Hassan ("the Respondent") in connection with share sale agreement ("SSA") dated 14 October 2016. ABSB had entered the SSA with the Respondent to acquire 300 ordinary shares representing 30% equity interest in Aviation A.I. Inc. for a cash consideration of USD1,500,000 payable to the Respondent in exchange for the 300 ordinary shares.

In its Notice of Arbitration, ABSB seeks the refund of RM4,100,000, which had been paid to the Respondent and/or any other sum deemed appropriate by the Arbitration Tribunal.

On 26 May 2023, ABSB had confirmed the appointment of arbitrator pursuant to rule 9.8 of the AIAC rules of the Asian International Arbitration Centre ("AIAC") of which was subsequently replaced on 14 December 2023.

On 4 December 2024, the Respondent's solicitor discharged themselves from representing the Respondent. On 18 December 2024, ABSB written to the Tribunal emphasising that it may be deemed the Respondent had no defense nor counterclaim, having failed to file anything pertaining thereto. The Respondent's representative informed that the Respondent was an undischarged bankrupt.

On 7 May 2025, ABSB filed a summons in Chambers at the Shah Alam High Court to obtain leave to proceed with arbitration proceedings against the Respondent. The arbitrator has fixed the next preliminary meeting on 26 August 2025.

(b) Auro Resources Sdn. Bhd. ("ARSB") and Auro Holdings Berhad ("AHB") vs the Estate of Kee Soon Ling, Deceased ("Kee Soon Ling") and GT Nelson Realty Sdn. Bhd. ("GT Nelson")

On 6 March 2023, ARSB and AHB filed a Writ and Statement of Claim against Kee Soon Ling and GT Nelson. Kee Soon Ling was a former director of ARSB from 6 May 2015 until his resignation on 21 March 2022. Kee Soon Ling was also a director and shareholder of GT Nelson, which is a real estate agency. He resigned as director of GT Nelson on 11 May 2022 and ceased to be a shareholder on 7 October 2022.

During his tenure as director of AHB and ARSB, he caused ARSB to rent a premise at Desa Commercial Centre from Seri Tiara Development Sdn. Bhd. ("Seri Tiara"). He also caused ARSB to engage GT Nelson as its real estate agent to find sub-tenants for the said premises. However, Kee Soon Ling and GT Nelson failed to secure any sub-tenants as agreed, which caused financial losses to ARSB. As such, ARSB and AHB is claiming damages against Kee Soon Ling and GT Nelson.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. Material Litigation (Cont'd)

(b) Auro Resources Sdn. Bhd. ("ARSB") and Auro Holdings Berhad ("AHB") vs the Estate of Kee Soon Ling, Deceased ("Kee Soon Ling") and GT Nelson Realty Sdn. Bhd. ("GT Nelson") (Cont'd)

On 9 May 2023, a case management was held and subsequently on 22 June 2023, adjourned the hearing to 10 July 2023 for parties to update the Court on the status of the existing court proceedings involving the estate of Kee Soon Ling.

A case management was held on 27 March 2024, the court ordered that Lee Ying Ying and Kok Siew Poh replace the Estate of Kee Soon Ling as Defendants in this suit. This was pursuant to a grant letter of administration obtained by Lee Ying Ying and Kok Siew Poh on 30 November 2023.

During the case management on 9 December 2024, it was noted that Toh Swee Lin of Messrs. SL Toh & Co. would replace Kok Siew Poh and Lee Ying Ying as the court appointed administrator of the Estate.

On 22 April 2025, the Court gave directions for parties to file the relevant documents before the High Court Judge, which have since been duly submitted. The next case management will be fixed on 4 July 2025 before the High Court Judge.

29. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 28 February 2025 were authorised for issue in accordance with a resolution of the Board of Director on 25 June 2025.

LIST OF PROPERTIES

Location	Description / Existing Use	Tenure/ Expiry Date	Date of Acquisition/ (Revaluation)	Land Area (Hectares)	Age of Building (Years)	Audited Net Book Value As At 28 February 2025 (RM'000)
Country Lease 025339566, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah	Consist of main office, tool and saw-doctoring rooms, machinery sheds, kiln drying bays, boiler Building, stacking sheds, labourline, canteen and a timber workshop	99 years lease expiring on 31 December 2064	31/08/1990 (02/05/2012)	4.046	30	5,320
Country Lease 025348298, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah	Consist of machinery sheds, generator set room, kiln drying bays, staff quarters and with gross floor area of 99,880 square feet. The Building is adjoining the property mentioned above.	99 years lease expiring on 31 December 2096	28/08/1997 (02/05/2012)	2.683	27	3,870
Country Lease 025359951, Kampung Lanas, Mukim of Kimanis, Papar District, Sabah	Open shed timber stock and moulding yard	99 years lease expiring on 31 December 2098	01/04/2004 (02/05/2012)	2.515	21	3,638

ANALYSIS OF SHAREHOLDINGS

AS AT 9 JUNE 2025

ISSUED AND FULLY PAID-UP SHARE CAPITAL	:	RM 53,610,383.553
CLASSES OF SHARES	:	636,637,932 Ordinary Shares
VOTING RIGHTS	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Percentage of Shareholders		Percentage of Shareholdings	
	No. of Shareholders	(%)	No. of Shares	(%)
Less than 100	81	3.4824	2,042	0.0003
100 to 1,000	316	13.5856	116,018	0.0182
1,001 to 10,000	1,044	44.8839	5,496,294	0.8633
10,001 to 100,000	690	29.6647	24,487,244	3.8463
100,001 to less than 5% of issued shares	192	8.2545	403,733,034	63.4164
5% and above of issued shares	3	0.1290	202,803,300	31.8554
Total	2,326	100.0000	636,637,932	100.0000

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Names	Direct Interest		Indirect Interest	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. DATO' TAN LIK HOUE	58,188,800	9.1400	-	-
2. TAN JYY YEEN	-	-	-	-
3. TAN WYE CHUAN	91,839,500	14.4257	-	-
4. DATO' YEO CHAI POH	19,525,466	3.0670	-	-
5. LIM TOCK OOI	-	-	-	-

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Names	Direct Interest		Indirect Interest	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. TAN WYE CHUAN	91,839,500	14.4257	-	-
2. WU WAI KONG	39,765,600	6.2462	-	-
3. AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN LIK HOUE	58,188,800	9.1400	-	-
4. DATO' SRI KEE SOON LING	36,451,500	5.7256	-	-
5. BPS MARKETING SDN BHD	52,775,000	8.2896	-	-

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 9 JUNE 2025

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 9 JUNE 2025)

Names	No. of Shares	Percentage of Shareholdings (%)
1. UOBM NOMINEES (TEMPATAN) SDN BHD UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR TAN WYE CHUAN	91,839,500	14.4257
2. AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN LIK HOUE	58,188,800	9.1400
3. BPS MARKETING SDN. BHD.	52,775,000	8.2896
4. SBH HAULAGE SERVICES SDN. BHD.	30,130,024	4.7327
5. KUAH CHOON CHING	28,411,308	4.4627
6. SU CHIA-TE	28,000,000	4.3981
7. LIM CHIN FUI	19,669,500	3.0896
8. LEE YING YING	17,483,100	2.7462
9. MAYBANK NOMINEES (TEMPATAN) SDN BHD CHANG HUAN SOON	16,985,000	2.6679
10. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WU WAI KONG	15,521,100	2.4380
11. AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAM SIEW WAY	15,000,000	2.3561
12. WU WAI KONG	14,144,500	2.2217
13. CHIA SIEW KIOW	11,970,900	1.8803
14. YEO CHAI POH	11,885,000	1.8668
15. AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WU WAI KONG	10,000,000	1.5708
16. HENG GU WEI	9,500,000	1.4922
17. CHIA SHEE TONG TOM	8,640,000	1.3571
18. YEO CHAI POH	7,640,466	1.2001
19. KENANGA NOMINEES (TEMPATAN) SDN BHD PING HIOW YEW	7,062,000	1.1093
20. TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG TENG KUANG	7,050,000	1.1074
21. AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TANG ZHI NIAN	6,599,000	1.0365
22. PANG SHIEW WAI	6,248,000	0.9814
23. LEE SIEW KOON	5,736,300	0.9010
24. WU SONG HENG	5,690,600	0.8939
25. TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PING HIOW YEW	4,905,000	0.7705
26. LEE BOON HOH	4,237,800	0.6657
27. CHIA SHEE TONG TOM	4,177,100	0.6561
28. KENANGA NOMINEES (TEMPATAN) SDN BHD KOH BOON KHENG	3,494,000	0.5488
29. LAI KET HEONG	3,216,500	0.5052
30. CHIA AI HOW	3,128,700	0.4914

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth (25th) Annual General Meeting (“AGM”) of Auro Holdings Berhad (“Auro” or “Company”) will be held at Level 1, Function Room 2, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Wednesday, 27 August 2025 at 10.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 28 February 2025 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To re-elect the following Directors who are retiring pursuant to Clause 115 of the Company’s Constitution and who being eligible, have offered themselves for re-election: -
 - (a) Ms Tan Jyy Yeen *Ordinary Resolution 1*
 - (b) Dato’ Yeo Chai Poh *Ordinary Resolution 2*
3. To approve the payment of Directors’ fees of up to RM400,000 for the financial year ending 28 February 2026 to be divided amongst the Directors in such manner as the Directors may determine and other benefits payable of up to RM150,000 for the period commencing from the conclusion of 25th AGM up to the conclusion of next AGM of the Company. *Ordinary Resolution 3*
4. To re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company. *Ordinary Resolution 4*

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution:

5. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016** *Ordinary Resolution 5*

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

AND THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 70 of the Company’s Constitution, the shareholders of the Company by approving this resolution are deemed to have waived their preemptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with the existing shares in the Company.”

6. To transact any other ordinary business for which due notice have been given.

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING (CONT'D)

By Order of the Board,

TAN TONG LANG (SSM PC NO. 202208000250 & MAICSA 7045482)
TAN LAY KHOON (SSM PC NO. 202208000544 & MAICSA 7077867)
Company Secretaries

Kuala Lumpur
30 June 2025

Notes:

- (1) *A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may, but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.*
- (2) *Where a member appoints more than one (1) proxy, he/she shall specify the proportions of his/her holdings to be represented by each proxy, failing which, the appointment shall be invalid.*
- (3) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (4) *If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.*
- (5) *The instrument appointing a proxy and the power of attorney or other authority (if any) must be deposited at the Company's Share Registrar's office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding AGM.*
- (6) *If the appointer is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.*
- (7) *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM shall be put to vote by poll.*
- (8) *For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("**ROD**") as at 15 August 2025 and only a member whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his/her behalf.*

Explanatory Notes:

1. Audited Financial Statements for the Financial Year Ended 28 February 2025

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Act does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

2. Ordinary Resolution 1 to 2: Re-election of Directors who are retiring pursuant to Clause 115 of the Company's Constitution

The following Directors who are standing for re-election as Directors of the Company pursuant to the Clause 115 of the Company's Constitution at the forthcoming 25th AGM of the Company and who are being eligible for re-election have offered themselves for re-election in accordance with the Company's Constitution: -

- (a) Ms Tan Jyy Yeen
- (b) Dato' Yeo Chai Poh

*(collectively referred to as "**Retiring Directors**")*

The Board of Directors through the Nomination Committee has deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the respective Directors concerned) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING (CONT'D)

3. Ordinary Resolution 5: Authority to Allot Shares Pursuant to Section 75 and Section 76 of the Act

This is the renewal of the general mandate for issuance of shares by the Company obtained from the shareholders of the Company at the 24th AGM of the Company held on 28 August 2024 (*hereinafter referred to as the "Previous Mandate"*).

As at the date of the notice, the Company has not issued any shares pursuant to the Previous Mandate granted.

The proposed Ordinary Resolution 5 is primarily to give a renewal mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fund-raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company. The general mandate, unless revoked or varied at general meeting, will expire at the next AGM of the Company.

Pursuant to Section 85(1) of the Act read together with Clause 70 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Section 85(1) of the Act provides as follows:

"85. Pre-emptive rights to new shares

(1) Subject to the Constitution, where a Company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 70 of the Constitution of the Company provides as follows:

"70. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause."

The proposed Ordinary Resolution 5, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)
No individual is seeking election as a Director at the 25th AGM of the Company.
2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Act is set out under Explanatory Note 3.

PROXY FORM

No. of shares held	
CDS Account No.	

I/We (Full Name in block letters)

*I.C./Passport/Company Registration No. of

..... (Full Address),

being a member of **AURO HOLDINGS BERHAD**, hereby appoint
 (Full name in Block letters as per NRIC)

*I.C./Passport No..... Contact No.:

of.....
 (Full Address),

Email Address:

*and/or failing *him/her, (Full Name in block letters)

*I.C./Passport No..... Contact No.:

of.....
 (Full Address),

Email Address

*or the CHAIRMAN OF THE MEETING as *my/our Proxy(ies) to vote for *me/us and act on *my/our behalf at the Twenty-Fifth (25th) Annual General Meeting ("**AGM**") of the Company which to be held at Level 1, Function Room 2, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Wednesday, 27 August 2025 at 10.30 a.m. or at any adjournment thereof.

*My/our Proxy(ies) is(are) to vote as indicated below:

		For	Against
Ordinary Resolution 1	To re-elect Ms Tan Jyy Yeen who retires pursuant to Clause 115 of the Company's Constitution.		
Ordinary Resolution 2	To re-elect Dato' Yeo Chai Poh who retires pursuant to Clause 115 of the Company's Constitution.		
Ordinary Resolution 3	To approve the payment of Directors fees of up to RM400,000 for the financial year ending 28 February 2026 to be divided amongst the Directors in such manner as the Directors may determine and other benefits payable of up to RM150,000 for the period commencing from the conclusion of 25 th AGM up to the conclusion of next AGM of the Company.		
Ordinary Resolution 4	To re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company.		
Ordinary Resolution 5	Authority to allot shares pursuant to Section 75 and Section 76 of the Companies Act 2016.		

* *Strike out whichever not applicable.*

[Please indicate with (X) or (√) in the space provided how you wish your vote to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain at his(her) discretion.]

Dated this.....day of.....2025

(Signature(s) and/or Common Seal of Shareholder, when applicable)

Name of Proxy	Proportion of Shares Held
1.	
2.	
Total Number of Shares Held	

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may, but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- (2) Where a member appoints more than one (1) proxy, he/she shall specify the proportions of his/her holdings to be represented by each proxy, failing which, the appointment shall be invalid.
- (3) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (4) If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- (5) The instrument appointing a proxy and the power of attorney or other authority (if any) must be deposited at the Company's Share Registrar's office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding AGM.
- (6) If the appointer is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
- (7) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM shall be put to vote by poll.
- (8) For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("**ROD**") as at 15 August 2025 and only a member whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his/her behalf.

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**AFFIX
STAMP**

The Share Registrar of
AURO HOLDINGS BERHAD
[Registration No. 199901020576 (495476-M)]
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1 Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

1st fold here

AURO Holdings Berhad

Auro Holdings Berhad 199901020576 (495476-M)
5-7, Level 5, Menara MBMR, No.1, Jalan Syed Putra,
58000 Kuala Lumpur, Malaysia.

www.auro.com.my