

NORTHEAST GROUP BERHAD

(Registration No.: 202201025913 (1471610-P))

GROWTH IN MOTION,
VISION IN FOCUS



ANNUAL REPORT

2025



//
YOU DESIGN,
WE BUILD
//



VISION

To build our reputation as a reliable, responsible and innovative company focusing and committing to meet our customers requirements in Quality, Delivery and Price; thus creating a Win Win situation for our customers, stakeholders and ourselves.



MISSION

To provide total customer solutions to become the preferred partner of choice by delivering the highest quality products and services at the most competitive prices to our customers and stakeholders.

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Proxy Form

ENCLOSED

GROWTH IN MOTION, VISION IN FOCUS

Rationale:

For Northeast Group Berhad, progress is a balance of momentum and clarity. Growth is set in motion through continuous innovation, capacity expansion, and global outreach, all driven by a spirit of resilience and ambition. At the same time, every step is guided by a vision that remains sharply in focus: to advance industries with precision and purpose. Together, this momentum and clarity define the Group's path forward, ensuring that growth is not only sustained but aligned further with a future of lasting impact.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Seri Lee Kah Choon

Independent Non-Executive Chairman

Ng Chay Chin

Managing Director

Chong Ewe Hean

Executive Director

Ng Chai Hee

Executive Director (appointed on 25 November 2025)

Yin Thien Hee

Executive Director (appointed on 25 November 2025)

Dato' Faiza Binti Zulkifli

Independent Non-Executive Director

Ong Kim Nam

Independent Non-Executive Director

Ong Guat Ean

Independent Non-Executive Director
(demised on 1 January 2026)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman	Members
Ong Kim Nam	Dato' Faiza Binti Zulkifli Ong Guat Ean

REMUNERATION COMMITTEE

Chairman	Members
Dato' Faiza Binti Zulkifli	Ong Kim Nam Ong Guat Ean

NOMINATION COMMITTEE

Chairman	Members
Ong Guat Ean	Dato' Faiza Binti Zulkifli Ong Kim Nam

REGISTERED OFFICE

Suite 12-A, Level 12,
Menara Northam
55 Jalan Sultan Ahmad Shah
10050 George Town
Pulau Pinang
Telephone No.: (604) 228 0511
E-mail: general@enetcorpsb.com.my

COMPANY SECRETARY

Ch'ng Lay Hoon

MAICSA No.: 0818580
SSM PC. No.: 201908000494

HEAD OFFICE

1946, Lorong IKS Bukit Minyak 1
Taman IKS Bukit Minyak
14100 Simpang Ampat
Pulau Pinang
Telephone No.: (604) 502 0303
Website: www.northeast.my
E-mail: info@northeast.my

AUDITOR

BDO PLT

(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
51-21-F, Menara BHL
Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Telephone No.: (604) 222 0288

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
HSBC Bank Malaysia Berhad
Public Bank Berhad
Affin Islamic Bank Berhad

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Telephone No.: (603) 7890 4700
Fax No.: (603) 7890 4670
E-mail: bsr.helpdesk@boardroom.limited.com

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: NE
Stock Code: 0325
Sector: Industrial Products & Services

SPONSOR

Affin Hwang Investment Bank Berhad

Level 33, Menara AFFIN
Lingkar TRX
Tun Razak Exchange
55188 Kuala Lumpur
Telephone No.: (603) 2142 3700

GROUP CORPORATE STRUCTURE



NORTHEAST GROUP BERHAD
(Registration No.: 202201025913 (1471610-P))

100%

NE Components Sdn Bhd
Registration No.: (200901020646 (863743-W))

100%

NE Solutions Sdn Bhd
Registration No.: (201501018590 (1143922-K))

100%

NE Integrated Sdn Bhd
Registration No.: (201201003919 (977444-P))

100%

NE Technologies Sdn Bhd
Registration No.: (200601024605 (744359-T))

100%

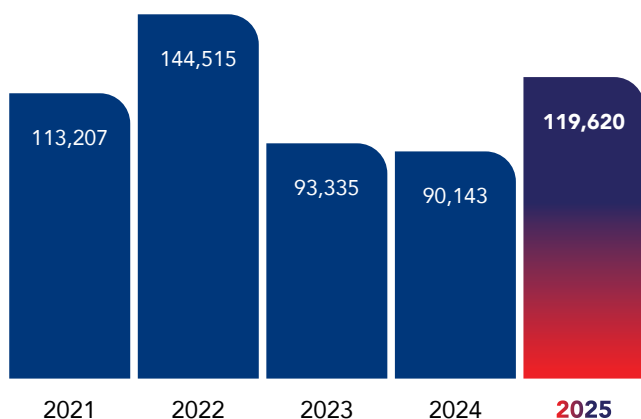
Northeast Precision Sdn Bhd
Registration No.: (200401019379 (657883-H))



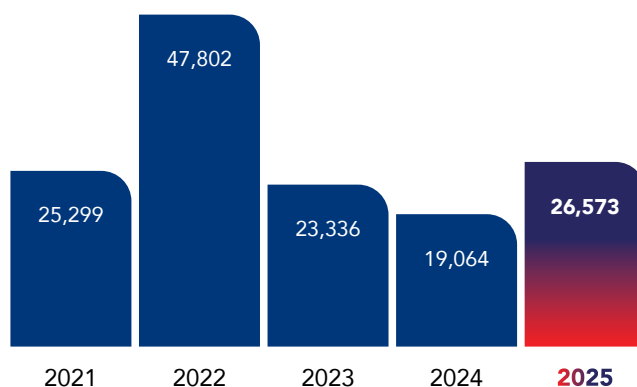
FINANCIAL HIGHLIGHTS

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Year ended 30 September					
Revenue	113,207	144,515	93,335	90,143	119,620
Profit Before Taxation	25,299	47,802	23,336	19,064	26,573
Profit After Taxation	19,816	38,071	18,360	13,743	20,539
EBITDA	33,162	55,732	32,276	27,790	33,486
Total Assets	145,212	171,560	192,226	206,997	294,919
Shareholders' Fund	89,032	126,383	142,743	156,487	259,108
Earnings Per Share (Sen)	2.68	5.14	2.48	2.41	2.80

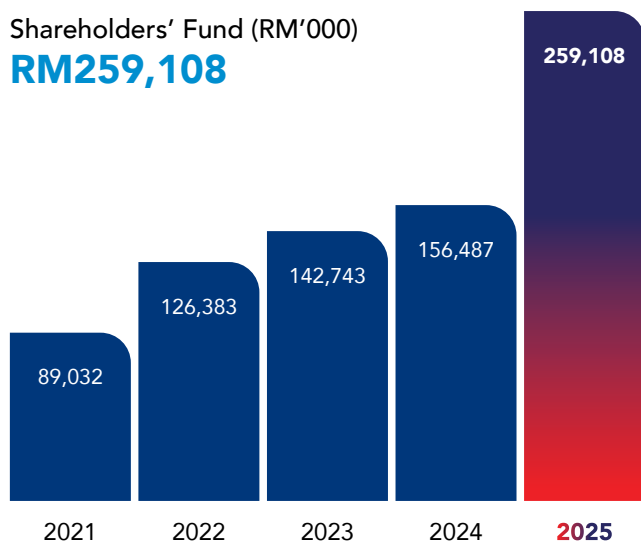
Revenue (RM'000)

RM119,620

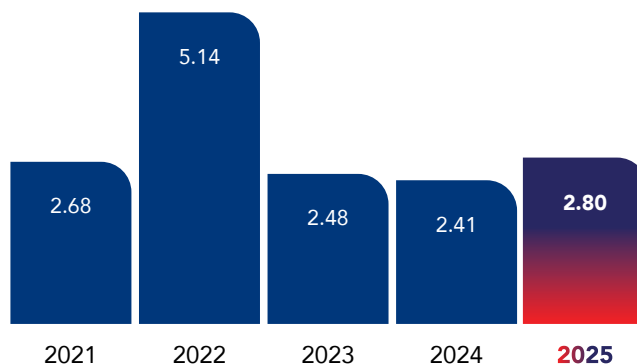
Profit Before Taxation (RM'000)

RM26,573

Shareholders' Fund (RM'000)

RM259,108

Earnings Per Share (Sen)

RM2.80

PROFILE OF DIRECTORS



DATO' SERI LEE KAH CHOON

Independent Non-Executive Chairman

Age	Gender	Nationality
66	M	

Qualification:

- Bachelor of Laws, University of Southampton, UK
- Master of Arts in Laws and Practice, The City University, UK
- Certified Financial Planner - Financial Planning Association of Malaysia

Date appointed to the Board:

15 January 2024

Membership of Board Committee:

None

Number of board meetings attended in the financial year ended 30 September 2025:

6/6

Working Experience:

Dato' Seri Lee Kah Choon began his career in 1987 as a Legal Assistant at Messrs. Wong-Chooi & Mohd. Nor, where he provided legal services in conveyancing, trust and estate, banking and corporate. In 1991, he was admitted as a Partner at the firm until his departure in 1998.

In 1999, he founded his own legal practice, Messrs. KC Lee & Partners, where he served as Managing Partner. During his tenure, he continued to focus on conveyancing, trust and estate, banking, and corporate services.

In 2004, he transitioned into public service as Parliamentary Secretary to the Ministry of Health of Malaysia, assisting the Minister in health-related matters, answering legal queries, and tabling reports in Parliament during the Minister's absence. He held this position until 2008.

In 2008, he shifted his focus to the corporate and public sector, becoming a Director of several government-linked corporations, including the Penang Development Corporation (PDC), Invest-in-Penang Berhad, and Penang Hill Corporation, roles he held until 2023. He also served as a Special Investment Advisor to the Chief Minister of Penang, advising on investment opportunities and strategies until 2023.

Currently, he serves as an Independent Non-Executive Chairman on the Boards of Aemulus Holdings Berhad and L&P Global Berhad. He also serves as Independent Non-Executive Director of NationGate Holdings Berhad and Butterfield FB Berhad. He also serves as a Director of several private companies.

PROFILE OF DIRECTORS



Qualification:

- Secondary education, Sekolah Menengah Kebangsaan Serdang, Kedah

Date appointed to the Board:

18 July 2022

Membership of Board Committee:

None

Number of board meetings attended in the financial year ended 30 September 2025:

6/6

Working Experience:

Ng Chay Chin has approximately 32 years of experience in machine setup, maintenance, troubleshooting and the manufacturing of precision engineering components. His career began in 1994 as an Apprentice in a shipyard in Singapore, followed by a similar role at AE Technology Sdn Bhd in Malaysia, focusing on stamping mould maintenance and troubleshooting for metal stamping operations.

In 1995, he joined Eng Teknologi Sdn Bhd as a Machining Technician, where he was involved in setting up CNC machines for precision manufacturing. He later moved to DMS Microcut Sdn Bhd in 1996 as a Technician and was promoted to Engineer in 1998, leading a team of technicians in machine operations and programming. In 1999, he joined Micro-Mechanics Technology Sdn Bhd as a Machinist, continuing his work in machine operations and programming.

In 2001, he became Technical Supervisor at Auer Precision Asia Sdn Bhd, overseeing the technical department. In 2002, he joined Eng Teknologi Holdings Bhd as Engineering Manager at the company's Philippines operations, setting up the auto-lathe department and managing production operations.

In 2004, after 9 years in the precision engineering industry, he became a shareholder of Northeast Precision Sdn Bhd, where he contributed to the company's growth by expanding its manufacturing capabilities, customer base, and export markets.

Currently, he holds a directorship in a private limited company. Ng Chay Chin does not hold any other directorship in public listed companies in Malaysia.

PROFILE OF DIRECTORS



CHONG EWE HEAN

Executive Director

Age	Gender	Nationality
54	M	

Qualification:

- Secondary education, Kolej Vokasional Batu Lanchang, Pulau Pinang

Date appointed to the Board:

18 July 2022

Membership of Board Committee:

None

Number of board meetings attended in the financial year ended 30 September 2025:

6/6

Working Experience:

Chong Ewe Hean has approximately 33 years of experience in business development, sales and manufacturing operations in the precision engineering industry.

He began his career in 1992 as an Intern at Polytool Engineering Sdn Bhd, focusing on material handling and mechanical works. In 1993, he joined Eng Hardware Engineering Sdn Bhd as a Tooling Technician Supervisor, overseeing the tooling department. In 1999, he was transferred to Engtek Precision Philippines, Inc. and promoted to Engineering and Production Manager and subsequently redesignated as Senior Manager of Sales and Marketing in 2001, where he was involved in overseeing the sales and marketing functions of the company.

In 2004, after 11 years in the precision engineering industry, he co-founded Northeast Precision Sdn Bhd to venture into the manufacturing of precision engineering components. He has since played a key role in expanding our Group's business by growing our manufacturing capabilities, customer base, and export markets.

Currently, he holds a directorship in a private limited company. Chong Ewe Hean does not hold any other directorship in public listed companies in Malaysia.

PROFILE OF DIRECTORS



NG CHAI HEE

Executive Director

Age

48

Gender

M

Nationality



Qualification:

- Form 3, Sekolah Menengah Kebangsaan Serdang, Kedah

Date appointed to the Board:

25 November 2025

Membership of Board Committee:

None

Number of board meetings attended in the financial year ended 30 September 2025:

_*

- * He was appointed to the Board after financial year ended 2025.

Working Experience:

Ng Chai Hee has approximately 30 years of experience in machine configuration and troubleshooting, as well as manufacturing operations of precision engineering components. He began his career in 1996 at Eng Teknologi Sdn Bhd as a Technician, where he was responsible for configuring, calibrating, and troubleshooting machines. He then moved to Mahlin Min Aik Corporation Sdn Bhd in 1999, continuing similar scope, before joining JCY HDD Technology Sdn Bhd as Shift Leader in 2001. In this role, he managed production schedules of hard disk components.

In 2004, he joined Engtek Precision Philippines, Inc. as a Technical Supervisor, where he supervised production planning and implementation of operational strategies in the manufacturing of precision engineering components. He returned to Malaysia and joined our Group in the same year as Manager, where he was responsible in coordinating and managing day-to-day operations and manufacturing activities. Over time, he progressed to Operations Manager in 2010, General Manager in 2014, and Senior General Manager in 2022, overseeing our Group's overall operations and manufacturing activities. In 2023, he was promoted to Senior Operations Director and redesignated as Chief Operations Director in 2024. In 2025, he was appointed as the Executive Director of our Company, a position he holds to date.

Currently, he does not hold any directorship in public listed companies or private limited companies in Malaysia.

PROFILE OF DIRECTORS



YIN THIENT HEE

Executive Director

Age	Gender	Nationality
53	M	

Qualification:

- Diploma of Mechanical Engineering, Federal Institute of Technology Malaysia (in affiliation with and recognised by Northumbria University in Newcastle, UK and University of Sunderland, UK)

Date appointed to the Board:

25 November 2025

Membership of Board Committee:

None

Number of board meetings attended in the financial year ended 30 September 2025:

–*

- * He was appointed to the Board after financial year ended 2025.

Working Experience:

Yin Thien Hee has approximately 30 years of experience in the material handling and automation equipment industry as well as the precision engineering industry. He began his career in 1996 as a Sales Executive at G-Force Sdn Bhd, specialising in sales of material handling equipment and customer service. In 1997, he joined Alstron Engineering (M) Sdn Bhd as a Sales Engineer, where he focused on sales and customer relationship management for automation equipment.

He subsequently joined Shanghai Komark Labels & Labelling Co. Ltd in China in 1999, where he was involved in business development for automation equipment sales. In 2001, he took on the role of Sales Manager at Clearpack Automation Suzhou Co. Ltd in China, leading a sales team, managing customer relationships and generating sales for automation equipment. After returning to Malaysia, he joined Wong Engineering Industries Sdn Bhd in 2005 as a Sales Manager, focusing on the business development of precision engineering components.

In 2008, he joined LKT Precision Engineering Sdn Bhd as Business Development Manager, further enhancing his experience in business development activities of precision engineering components. He joined our Group in 2009 as Manager, where he played a key role in expanding our customer base and growing sales. In 2019, he was appointed as Business Director, overseeing the execution of business development strategies. In 2022, he was redesignated as Marketing Director, and in 2023, he was promoted to Senior Business & Sales Director, where he continued to lead business growth and sales strategies. Yin Thien Hee was redesignated to Chief Marketing Director and appointed as the Executive Director of our Company in 2024 and 2025 respectively.

Currently, he does not hold any directorship in public listed companies or private limited companies in Malaysia.

PROFILE OF DIRECTORS



DATO' FAIZA BINTI ZULKIFLI

Independent Non-Executive Director

Age	Gender	Nationality
66	F	

Qualification:

- Bachelor of Law (Honours), Universiti Malaya
- Master of Laws in Information Technology and Intellectual Property Law, University of East Anglia, Norwich, UK
- Diploma in Professional Translation (legal module), Institut Terjemahan Negara Malaysia

Date appointed to the Board:

15 January 2024

Membership of Board Committee:

- Remuneration Committee (Chairman)
- Audit and Risk Management Committee (Member)
- Nomination Committee (Member)

Number of board meetings attended in the financial year ended 30 September 2025:

6/6

Working Experience:

Dato' Faiza Binti Zulkifli began her career in 1984 as a Magistrate, presiding over civil and criminal matters until 1988. She served as Assistant Director at the Malaysian Legal Aid Department in Perak, handling various legal aid cases from 1988 to 1991.

Between 1991 and 2002, she was appointed as a Legal Advisor for the Ministry of Domestic Trade and Consumer Affairs, managing legal matters and contributing to strategies and policies development of domestic trade. From 2002 to 2007, she was a Senior Assistant Parliamentary Draftsman at the Attorney General's Chambers, where she was involved in drafting and vetting primary and subsidiary legislations as well as advising on ministries on legal matters.

From 2007 to 2013, she was the Penang State Legal Advisor, overseeing legal matters for all state departments and serving on various committees. From 2014 to 2017, she chaired the Advisory Board in the Prime Minister's Department, presiding over appeal cases under preventive laws and then served as Chairman of the Customs Appeal Tribunal (2017-2018).

Her last government position was as Chairman of the Special Commissioners of Income Tax (2018-2020), presiding over tax-related appeal cases. After retiring in 2020, she continued her public service, serving as a commission member of Suruhanjaya Perkhidmatan Air Negara (2022-2024) and the Panel of the Tribunal for Consumer Claims Malaysia (2022-2025). She was reappointed as a commission member of Suruhanjaya Perkhidmatan Air Negara in June 2025 for a 2-year term.

Currently, she serves as an Independent Non-Executive Director on the Boards of ARK Resources Holdings Berhad, Mestron Holdings Berhad, NationGate Holdings Berhad and Butterfield FB Berhad. She does not hold any directorship in private limited companies in Malaysia.

PROFILE OF DIRECTORS



ONG KIM NAM

Independent Non-Executive Director

Age	Gender	Nationality
70	M	

Qualification:

- Fellow of the Association of Chartered Certified Accountants, UK
- Chartered Accountant of the Malaysian Institute of Accountants

Date appointed to the Board:

15 January 2024

Membership of Board Committee:

- Audit and Risk Management Committee (Chairman)
- Remuneration Committee (Member)
- Nomination Committee (Member)

Number of board meetings attended in the financial year ended 30 September 2025:

6/6

Working Experience:

Ong Kim Nam began his career in 1977 by joining Kiat & Associates as Audit Junior where he assisted in conducting audit assignments. Over the years, he took on additional responsibilities in conducting audit assignments before being transferred to Kiat & Associates Management Consultants Sdn Bhd as Manager in 1984. As a Manager, he was responsible for providing consultancy services in relation to taxation and management services.

In 1991, he joined A.A. Anthony & Co Sdn Bhd as General Manager where he was responsible for coordinating and managing the transactional processing and documentations of share transactions, as well as overseeing the finance and administration department.

In 1994, he founded OKN Management PLT where he oversees the overall operations of the company and formulates strategies to drive the growth of the company.

Currently, he does not hold any directorships in public listed or private limited companies in Malaysia.

PROFILE OF DIRECTORS



ONG GUAT EAN

Independent Non-Executive Director

Age	Gender	Nationality
62	F	

Qualification:

- Bachelor of Law (Honours), Universiti Malaya
- Master of Business Administration, Universiti Sains Malaysia
- Advocate and Solicitor of the Malaysian Bar

Date appointed to the Board:

15 January 2024
(Demised on 1 January 2026)

Membership of Board Committee:

- Nomination Committee (Chairman)
- Audit and Risk Management Committee (Member)
- Remuneration Committee (Member)

Number of board meetings attended in the financial year ended 30 September 2025:

6/6

Working Experience:

Ong Guat Ean began her career in 1989 with Messrs. Wong-Chooi & Mohd. Nor as a Legal Assistant. She was involved in providing litigation and conveyancing services. In 1996, she was admitted as a Partner of the firm and her responsibilities were extended to providing advisory services. In 1999, she was appointed as a Partner of the Butterworth branch office where she focused on providing conveyancing and advisory services as well as overseeing the business and operations of the Butterworth branch office.

After accumulating approximately 24 years of work experience in the legal industry, she co-founded the law firm, Messrs. Annie Ong-Teng & Associates in 2013. As a founding Partner, she leads the firm and provides advisory services pertaining to litigation and conveyancing.

Currently, she serves as an Independent Non-Executive Director on the Board of Pentech Holdings Berhad. She does not hold any directorship in private limited companies in Malaysia.

Additional information:

None of the Directors has:

- any family relationship with any director and/or major shareholder of Northeast Group Berhad ("NE"), save for Ng Chai Hee, who is the brother of Ng Chay Chin;
- any conflict of interest or potential conflict of interest in any competing business with NE and its subsidiaries;
- been convicted of any offence (other than traffic offences) within the past five (5) years; and
- been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 September 2025.

PROFILE OF KEY SENIOR MANAGEMENT

The profile of our Key Senior Management, save for our Managing Director and Executive Directors which are set out in the earlier sections of the annual report, is as follows:



TANG GUAN HAO

Finance and Administration Director



Age Gender Nationality

43

M



Qualification:

- Chartered Accountant of the Malaysian Institute of Accountants (CA(M))
- Chartered Member of The Institute of Internal Auditors Malaysia (CMIIA)
- Certified Internal Auditor (CIA (USA))
- Bachelor in Accounting (Honours), Universiti Sains Malaysia

Working Experience:

Tang Guan Hao began his career in external audit with an international accounting firm, gaining over three (3) years' experience in statutory audits and financial statement reviews. He then spent three (3) years in finance and accounting roles at CIMB Investment Bank Berhad and Sam Engineering Berhad, handling group reporting, account analysis, and performance reviews.

He spent more than ten (10) years in internal audit at Oriental Holdings Bhd., managing audits across manufacturing, plantation, automotive, and healthcare divisions, where he supervised teams on operations evaluation as well as review of governance, risk management, and financial performance.

In 2025, he joined Northeast Group Berhad as Finance and Administration Director, overseeing financial reporting, administration, and corporate functions. He does not hold any directorship in public listed companies or private limited companies in Malaysia.



Additional information:

None of the Key Senior Management has:

- any family relationship with any director and/or major shareholder of Northeast Group Berhad;
- any conflict of interest or potential conflict of interest in any competing business with NE and its subsidiaries;
- been convicted of any offence (other than traffic offences) within the past five (5) years; and
- been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS

Company Profile and Principal Activities

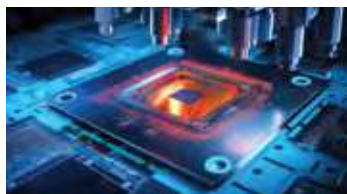
Northeast Group Berhad ("Northeast" or the "Group") is an investment holding company whilst its subsidiaries are principally involved in the manufacturing of precision engineering components. We serve a diverse range of industries, including photonics, electrical and electronics ("E&E"), semiconductor, telecommunication, and optoelectronics.



Photonics



E&E



Semiconductor




Telecommunication

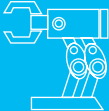


Optoelectronics



Our Business Model

 Principal Business Activities Manufacturing of precision engineering components	
In-house Capabilities <ul style="list-style-type: none"> • Process engineering • Precision machining • Surface finishing • Sheet metal fabrication • Mechanical sub-assembly 	Outsourced Activities <ul style="list-style-type: none"> • Pre-machining • Surface finishing for powder coating and certain coating materials

 Our Products Precision engineering components	
Key Customer Industries <ul style="list-style-type: none"> • Photonics • E&E • Semiconductor • Telecommunication • Optoelectronics 	Key Geographical Markets <ul style="list-style-type: none"> • Malaysia • USA • UK • Thailand • Singapore • Canada • Germany • Hungary

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

Our Core Business & Engineering Capabilities

Our Group is principally involved in the manufacturing of precision engineering components, which are meticulously machined parts held to exceptionally high standards, often within single-digit micron tolerances. These components are supplied to customers from various industries for integration and assembly into their end-products.

We operate as a strategic partner, collaborating with customers to produce customised components tailored to their exact specifications. This is achieved by leveraging on our end-to-end advanced engineering and machining capabilities, details as follows:

Custom Process Engineering & Design:

Our team carries out process engineering to design customised manufacturing processes which are tailored to customer needs. This includes designing detailed 2-dimensional ("2D") and 3-dimensional ("3D") drawings, outlining comprehensive manufacturing process flows, programming Computer Numerical Control ("CNC") machines, and simulating production runs to ensure consistency and precision.

Precision Machining:

Utilising our advanced CNC machines, we transform raw materials such as aluminium, stainless steel, and carbon steel into highly precise components, consistently adhering to the stringent quality standards required by our diverse customer industry base.

Beyond manufacturing, our Group also provides a suite of integrated value-added services designed to enhance our component offerings and deliver comprehensive, ready-to-use solutions to our customers:

Surface Finishing:

We offer specialised treatments to optimise component performance and durability, including:

- (i) Plating: Applying metal coatings (e.g., gold, silver over nickel, electroless nickel, or chromate) to achieve desirable properties like corrosion resistance, solderability, increase strength, friction reduction, and conductivity, amongst others.
- (ii) Anodising: Creating a durable, decorative, and corrosion-resistant anodic oxide finish on metal surfaces through an electrolytic process.
- (iii) Sandblasting: Spraying abrasive particles, such as graphite, onto the precision engineering components to achieve smoother surfaces.

Sheet Metal Fabrication:

We provide sheet metal fabrication services, including cutting, bending, and welding, to support our precision machining activities.

Mechanical Sub-Assembly:

Integrating multiple precision-engineered components to form sub-assembly products according to our customers' requirements. These sub-assembly products are then delivered to our customers for further processing or integration into their end-products.



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

Our Core Business & Engineering Capabilities (Cont'd)

This integrated approach positions Northeast Group as a one-stop production partner. By combining engineering and machining capabilities with value-added services, we are able to meet the complex and dynamic requirements of our global customer base, while maintaining our commitment to precision, quality, and technological innovation.

Factories	Location	Existing Use
Factory 1	1088 Jalan Juru, Kawasan Perindustrian Juru, 14100 Simpang Ampat, Pulau Pinang	Manufacturing plant and office
Factory 2	868, Plot 41, Jalan Perindustrian Bukit Minyak, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang	Manufacturing plant, office, warehouse and accommodation for workers
Factory 3	1946, Lorong IKS Bukit Minyak 1, Taman IKS Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang	Manufacturing plant, office and warehouse



Factory 1



Factory 2



Factory 3

Principal Markets

We manufacture precision engineering components for the photonics, E&E, semiconductor, telecommunication, and optoelectronics industries. Our revenue profile reflects our strong international presence, where overseas market accounted for approximately RM83.36 million or 69.69% of our revenue for FYE 2025 (RM63.97 million or 70.97% of our revenue for FYE 2024), while the remaining RM36.26 million or 30.31% was generated from local market (RM26.17 million or 29.03% of our revenue for FYE 2024). Notably, the USA has been a key market, contributing a substantial portion to our revenue. Our ability to cater to international markets such as the USA, UK, Thailand, Singapore underscores the global recognition of our precision engineering components.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

Principal Markets (Cont'd)

Our revenue by geographical markets for FYE 2023, FYE 2024 and FYE 2025 are illustrated as below:

Geographical Markets	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
Local	24,362	26.10	26,167	29.03	36,255	30.31
USA	30,592	32.78	23,074	25.60	39,833	33.30
UK	13,515	14.48	19,215	21.31	20,559	17.19
Thailand	6,485	6.95	7,583	8.41	11,163	9.33
Singapore	4,719	5.06	5,283	5.86	5,553	4.64
Canada	3,033	3.25	2,696	2.99	624	0.52
Germany	2,612	2.80	1,423	1.58	1,084	0.91
Hungary	1,564	1.68	1,232	1.37	1,987	1.66
Others*	6,453	6.90	3,470	3.85	2,562	2.14
Total	93,335	100.00	90,143	100.00	119,620	100.00

* Others comprise, among others, Australia, China, Japan and Poland.

Our revenue by customer industries for FYE 2023, FYE 2024 and FYE 2025 are illustrated as below:

Customer Industries	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
Photonics	42,611	45.65	33,417	37.07	48,848	40.84
E&E	17,440	18.69	21,399	23.74	25,531	21.34
Semiconductor	14,724	15.78	16,940	18.79	23,397	19.56
Telecommunication	13,492	14.45	12,555	13.93	16,156	13.50
Optoelectronics	5,068	5.43	5,832	6.47	5,688	4.76
Total	93,335	100.00	90,143	100.00	119,620	100.00

Key Milestones

Since the incorporation of Northeast Precision Sdn Bhd ("Northeast Precision") in 2004, we have embarked on a continuous journey of growth and innovation. Today, our Group has evolved into a reputable manufacturer of precision engineering components, serving diverse industries with unwavering expertise. Built on a strong foundation of precision engineering excellence, we remain committed to delivering high-quality products that consistently meet our customers' expectations. As we progress into 2026, we are actively expanding our capabilities and reinforcing our dedication to driving value and innovation across every industry that we serve.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

Key Milestones (Cont'd)

A significant corporate milestone was the successful Initial Public Offering ("IPO") of Northeast on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), which took place on 15 October 2024.

As we look to the future, we will continue to build on our foundation by investing in our expertise, systematically expanding our capacity, and reinforcing our market presence in the precision engineering industry. Our commitment to continuous improvement and our inherent adaptability ensure we are strategically prepared to navigate market changes, seize new opportunities, and deliver sustained growth.

Our history and key business milestones since our inception in 2004 are summarised below:



Listed on the ACE Market on 15 October 2024

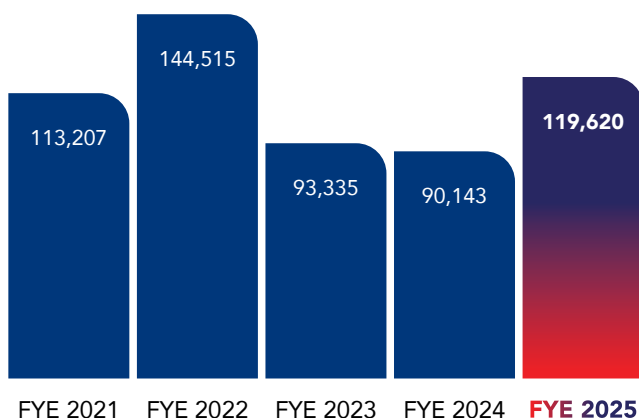
Year	Key events and milestones
2004	<ul style="list-style-type: none"> Incorporated Northeast Precision and began operations in Bukit Tengah, Pulau Pinang. Secured first telecommunication customer in the Philippines.
2005	<ul style="list-style-type: none"> Expanded customer base to the UK and USA.
2006	<ul style="list-style-type: none"> Incorporated NE Technologies Sdn Bhd ("NE Technologies"). Expanded into the photonics industry. Secured first customer in Thailand.
2007	<ul style="list-style-type: none"> Introduced plating services to complement the manufacturing of precision engineering components.
2008	<ul style="list-style-type: none"> Acquired land in Kawasan Perindustrian Juru, Pulau Pinang, to construct Factory 1. Entered the semiconductor market.
2009	<ul style="list-style-type: none"> Incorporated NE Components Sdn Bhd ("NE Components"). Entered the optoelectronics industry.
2011	<ul style="list-style-type: none"> Secured first customer in the E&E industry. Completed Factory 1 construction.
2012	<ul style="list-style-type: none"> Incorporated NE Integrated Sdn Bhd ("NE Integrated"). Relocated all operations to Factory 1.
2015	<ul style="list-style-type: none"> Incorporated NE Solutions Sdn Bhd ("NE Solutions"). Added sheet metal fabrication services. Received ISO 9001:2008 Quality Management System ("QMS") certification for NE Integrated.
2016	<ul style="list-style-type: none"> Received ISO 9001:2008 QMS certification for Northeast Precision, NE Components, and NE Technologies.
2017	<ul style="list-style-type: none"> Acquired land with a double-storey factory in Taman Perindustrian Bukit Minyak, Pulau Pinang, for Factory 2.
2018	<ul style="list-style-type: none"> Acquired land with a warehouse and factory in Taman IKS Bukit Minyak, Pulau Pinang, for Factory 3.
2021	<ul style="list-style-type: none"> Completed renovations for Factory 2.
2022	<ul style="list-style-type: none"> Completed renovations for Factory 3 and relocated to Factory 3.
2023	<ul style="list-style-type: none"> Acquired Lot 1143 to construct a new factory for expansion. Further details of Lot 1143 are set out in "List of Properties".
2024	<ul style="list-style-type: none"> Listed on the ACE Market of Bursa Securities.
2025	<ul style="list-style-type: none"> Acquired two lands which are adjacent to Factory 1 for additional warehousing and storage space as well as to expand production capacity. Construction is currently in progress at Lot 1368, Jalan Bukit Minyak Permai 1 (comprising 20 residential units and common amenities) for local employees' accommodation.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

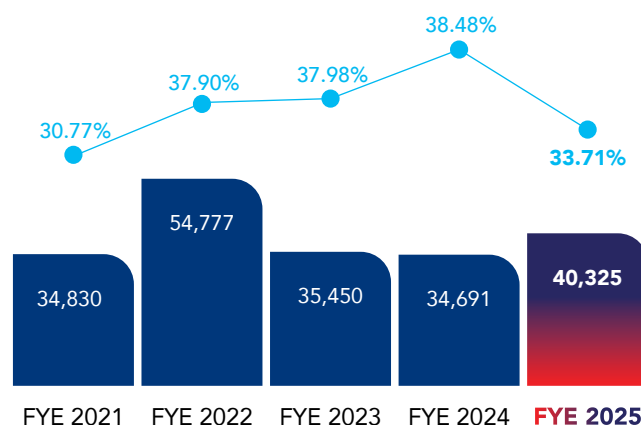
Revenue (RM'000)

RM119,620



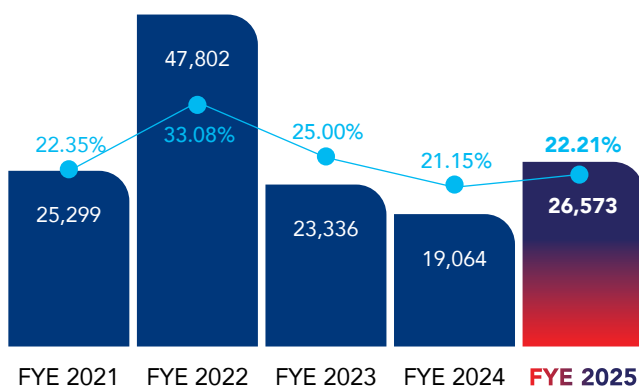
Gross Profit (RM'000)

RM40,325



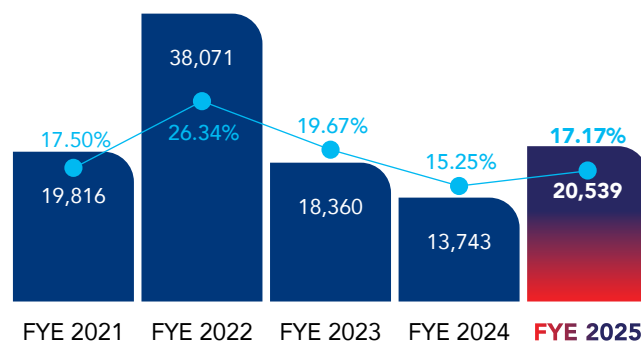
Profit Before Taxation (RM'000)

RM26,573



Profit After Taxation (RM'000)

RM20,539



Our Group achieved a revenue of RM119.62 million for FYE 2025 (FYE 2024: RM90.14 million), an increase of 32.70% as compared with the previous financial year. The increase in revenue was mainly due to higher sales across multiple industries, namely photonics, E&E, semiconductor and telecommunication. However, such increase was slightly offset by lower sales from the optoelectronics industry. The majority of our revenue was derived from customers located in North America, Malaysia, UK and Thailand.

Our Group's gross profit for FYE 2025 was RM40.33 million (FYE 2024: RM34.69 million), an increase of 16.24% as compared to the previous financial year, which was in line with the increased revenue from the photonics, semiconductor and E&E industries.

In line with the increase in revenue and gross profit, our Group generated a profit before taxation ("PBT") of RM26.57 million in FYE 2025, representing an 39.39% increase from RM19.06 million in the previous year. The PBT margin was 22.21% in FYE 2025 as compared to 21.15% in FYE 2024. The increase in PBT was mainly due to higher revenue and higher other operating income, including year-on-year increase in fair value adjustments on investment from IPO proceeds placed in money market funds amounting to RM1.39 million, fixed deposit interest of RM1.00 million and scrap sales of RM0.71 million. The Group also recorded a favourable unrealised foreign exchange gain of RM3.97 million. These were partially offset by higher impairment loss on trade receivables of RM1.53 million, one-off listing-related professional fees of RM3.69 million and increased selling and distribution expenses of RM0.62 million.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONT'D)

As a result, our Group recorded a profit after taxation ("PAT") attributable to owners of the Company of RM20.54 million in FYE 2025, which marks a 49.45% increase from RM13.74 million in FYE 2024. The lower effective tax rate for current year was mainly due to overprovision of tax in prior year, as well as the impact of unrealised foreign exchange gain, which is non-taxable for tax purposes.

As at 30 September 2025, our Group's cash and bank balances increased by 13.91%, from RM87.06 million in FYE 2024 to RM99.16 million in FYE 2025. Additionally, the Group held RM54.06 million in fixed income trust fund in Malaysia as of 30 September 2025 following the successful completion of our Initial Public Offering (IPO) in October 2024.

Overall, our Group's financial position remains healthy, with a higher current ratio of 10.42 times (FYE 2024: 10.03 times) indicating strong short-term liquidity. Further, our gearing ratio decreased to 0.05 times (FYE 2024: 0.24 times) mainly due to repayment of term loans using our IPO proceeds as well as increase in total equity as a result of higher net profit achieved for FYE 2025.

OPERATION REVIEW

Expansion of Production Capacity

Our Group operates from three (3) factories located in Juru and Bukit Minyak, Pulau Pinang, with a total built-up area of approximately 208,468 sq ft. Currently, the production floor space in these factories is fully utilised.

To drive our growth and meet increasing customer demand, we had initially planned to construct a 2-storey factory with a 1-storey sub-basement parking lot ("New Factory") at Seberang Perai Tengah, Pulau Pinang, with a built-up area of approximately 227,687 sq ft. On 16 January 2025, the Group received planning permission and building plan approval for the New Factory from Majlis Bandaraya Seberang Perai ("MBSP"). However, MBSP stated that construction can only commence upon obtaining approvals for land use conversion and certificates for land filling and earthworks from MBSP and Jabatan Kerja Raya Pulau Pinang, respectively. As a result, the Group anticipates a 20-month delay on the construction of the New Factory. To mitigate these delays, the Group had subsequently acquired two lands adjacent to Factory 1.

Following the acquisitions, we have revised the New Factory to a 4-storey factory with a 1-storey sub-basement ("Revised New Factory") and the construction cost of the Revised New Factory is estimated to be RM22.80 million, of which RM20.00 million will be funded from the IPO proceeds.

The Revised New Factory, with a built-up area of approximately 116,652 sq ft, will include a production floor area of approximately 20,557 sq ft, capable of accommodating up to 100 units of CNC machines. The Revised New Factory will also include areas for a Quality Assurance ("QA") and Quality Control ("QC"), an administrative area and a storage/warehouse, with areas spanning approximately 7,400 sq ft, 5,363 sq ft and 10,838 sq ft, respectively.

This expansion will boost our production capacity substantially, enabling us to meet increasing operational demands while maintaining efficiency and precision. The enhanced capacity also positions us well to capitalise on emerging technological trends and growth opportunities, particularly in areas such as sixth-generation ("6G") wireless networks and advanced cooling systems for data centres.

As part of our production capacity expansion, the business operations of NE Components and NE Technologies will be relocated to the Revised New Factory. NE Components, currently operating in Factory 2, will move to the Revised New Factory to meet growing demand; thus, allowing Northeast Precision to fully utilise the vacated space for its own manufacturing activities. Similarly, NE Technologies, currently operating in Factory 1, will relocate to the Revised New Factory for larger production space. After the relocation, Factory 1 will be repurposed to expand our value-added surface finishing services, including plating and anodising, following the completion of the construction of the Revised New Factory.

The construction of the Revised New Factory is expected to commence in the fourth quarter of 2026, with operations targeted to begin in the third quarter of 2029. This investment underscores our commitment to scaling operations and maintaining excellence in meeting customer requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW (CONT'D)

Purchase of New CNC Machines

We have 285 units of CNC machines as at 30 September 2025. In line with our production capacity expansion, we plan to purchase 36 units of new CNC machines, including CNC milling, CNC turning, CNC turn-mill, CNC automatic lathe, and CNC indexer machines. These machines will increase our annual operating capacity to meet anticipated demand from local and international customers while reducing delivery lead times. The purchase of these machines will be funded through the IPO proceeds. By enhancing our production capabilities, we aim to secure additional orders, grow our customer base, and support our long-term business growth.

CHALLENGES & RISKS

Dependent on export markets

Our Group remains export-oriented, with 69.69% of our sales derived from overseas market in FYE 2025 (FYE 2024: 70.97%) and is therefore exposed to location concentration risk. Heavy reliance on a limited set of export markets means any regional downturn, policy change or demand shock in those geographies could materially reduce orders and affect revenue and operating leverage.

Recent trade-policy signals, including the tariff measures and incentives for reshoring announced by USA, add uncertainty to customer sourcing decisions. The full impact on Malaysian manufacturers is still uncertain at this juncture whilst substantially higher USA labour costs also preserve a cost advantage for Malaysian manufacturers. These dynamics, together with input-cost volatility, logistics disruption and currency swings, can lengthen lead times and compress margins.

To mitigate these risks, we are expanding our industry coverage and geographic footprint to reduce concentration, improve process optimisation and productivity to maintain landed-cost competitiveness, strengthening supplier mapping and contingency sourcing, while closely monitoring trade developments and engaging customers to ensure business stability and resilience.

Human Capital

Our Group depends on skilled engineering managers and technicians for process engineering, machinery setup and equipment maintenance. The loss of a significant number of these employees, or difficulty in recruiting suitably qualified talent, could disrupt operations and affect product quality and delivery. This risk is compounded by the Malaysian manufacturing sector's continued reliance on foreign workers and recent policy shifts. The Government has signalled reductions in foreign-worker dependency under RMK-13 and move to new multi-tier levy arrangements, while the national minimum wage was

adjusted to RM1,700 from August 2025. Any tightening of foreign-worker rules, higher levies or wage increases could raise labour costs and create short-term human resource challenge.

To manage these human-capital risks, we are investing in targeted training and strengthening campus and apprenticeship engagement to build a sustainable local talent pipeline. We also offer competitive remuneration and structured career pathways to attract and retain skilled employees.

Recognising that the technology industry is evolving rapidly, we invest in structured training programmes to ensure our workforce remains agile, adaptable and equipped with the latest technical competencies. This proactive approach helps us stay ahead of industry trends and maintain our competitiveness.

Where appropriate, we also prioritise process optimisation and workforce upskilling to reduce reliance on manual labour, while actively engaging with industry bodies and relevant authorities such as the Department of Labour Peninsular Malaysia (JTKSM), Immigration Department, Human Resource Development Corporation (HRD Corp), Department of Occupational Safety and Health (DOSH), and the Malaysian Employers Federation (MEF) to anticipate policy changes and plan workforce transitions in a measured and sustainable way.

Exposure to global aluminium and copper price fluctuations

The Group is also exposed to aluminium and copper price volatility, which can increase production and inventory carrying costs. To mitigate commodity risk, we continuously monitor price trends, where appropriate, undertake a cost-pass-through to customers, optimise inventory, machine cycle time, and improve production planning to limit the impact of price swings on margins.

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND

Our Company does not have a formal dividend policy and, as a holding company, our ability to declare and pay dividends depends on distributions received from our subsidiaries and their distributable profits, cashflow needs and capital expenditure requirements. For FYE 2024 and FYE 2025, our Group did not declare any dividend. The declaration of dividend is subject to the availability of distributable reserves, receipt of dividends from subsidiaries, our Group's financial position and cashflow, and the approval of the Board and shareholders as required. Any future dividend declarations will remain at the sole discretion of the Board and should not be taken as an indication of future profitability or dividend capacity.



FORWARD-LOOKING STATEMENT

The global precision engineering market is expected to maintain steady expansion, driven by robust demand from key industries such as photonics, semiconductors, telecommunications, and E&E. Increasing product miniaturisation and complexity continue to create opportunities for high-performance and precision components, while outsourcing of specialised manufacturing remains a preferred strategy among OEMs seeking efficiency and flexibility. Leveraging its technical expertise, established customer relationships and strong industry reputation, the Group is well positioned to capture new opportunities and benefit from these prevailing trends.

Aligned with these market developments, the Group is also poised to capitalise on emerging growth areas driven by rapid technological advancement, particularly in artificial intelligence ("AI") and data centres. The acceleration of AI adoption has led to exponential increases in data flow and computing demand, resulting in rising requirements for precision components used in telecommunications infrastructure, including data centres, towers and substations. These are key areas of focus for the Group as it continues to enhance its engineering capabilities and adapt to evolving technology needs.

To support anticipated growth in production volume and product complexity, the Group plans to construct the Revised New Factory, with construction scheduled to begin in the fourth quarter of 2026 and operations targeted to commence in the third quarter of 2029. The new facility will house additional CNC machines to expand production capacity, shorten delivery lead times and enable the manufacture of more complex, higher-mix precision components for both existing and new customers.

Despite ongoing global uncertainties such as tariff measures, geopolitical tensions, and currency fluctuations, the Board remains cautiously optimistic. Leveraging on its high mix, low volume business model, and prudent cost management, the Group will continue to monitor market conditions and execute its expansion plans cautiously to support sustainable growth and long-term resilience.

SUSTAINABILITY STATEMENT

INTRODUCTION

Northeast Group Berhad ("Northeast" or the "Company" or the "Group") is pleased to present our second Sustainability Statement ("Statement") for the financial year ended 30 September 2025 ("FYE 2025"). Building upon our inaugural statement in FYE 2024, this year's disclosure reflects our continuous journey in sustainability considerations in our business strategy, operations and governance.

This Statement outlines the progress we have made since our first publication, including additional data coverage, formalised internal sustainability team and processes, and aligned our priorities with the expectations of our stakeholders. We have also refined our governance structure to provide clearer oversight of sustainability matters, supported by the Board of Directors and the management-level Sustainability Committee.

Our Statement has been prepared in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by Bursa Securities Sustainability Reporting Guide, 3rd Edition and Toolkits.

This Statement should be read in conjunction with other sections of this Annual Report, namely the Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, and the Corporate Governance Report, to provide a more holistic understanding of our sustainability journey.



SUSTAINABILITY STATEMENT

Reporting Period

This Statement covers the period from 1 October 2024 to 30 September 2025. Where possible, we have also included information from prior years for comparison/ informational purposes.

Scope and Basis of Scope

This Statement provides information on our sustainability performance through our operations in:



Assurance

This Statement has not been subjected to external assurance. However, the performance data presented have been reviewed and validated by our internal operations and management teams.

Availability

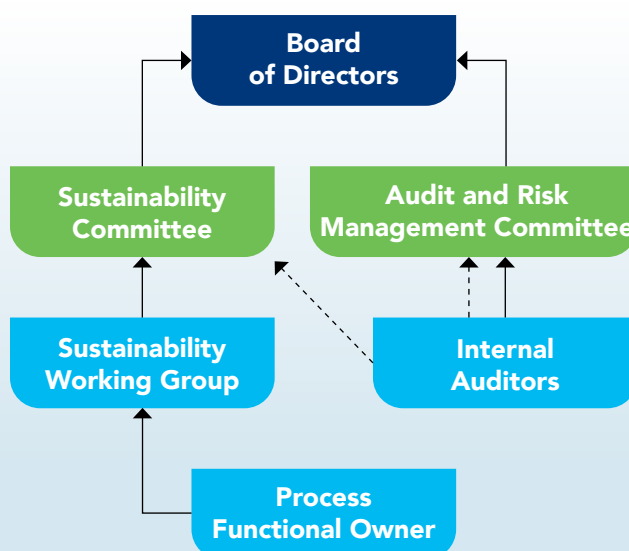
This Statement is made available on our Group's website at <https://northeast.my/>.

Point of Contact

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement. Comments and questions can be directed to our designated email address at info@northeast.my.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board of Directors holds ultimate responsibility for overseeing the Group's sustainability agenda and ensuring alignment with our strategic direction. The Sustainability Committee provides dedicated focus on sustainability matters and is supported by the Sustainability Working Group, comprises representatives from various functions and departments. The Sustainability Working Group is responsible in coordinating data collection, monitoring initiatives, and reporting progress to the Sustainability Committee. At operational level, Process Functional Owners are accountable for implementing sustainability initiatives within their respective areas. This governance framework ensures that sustainability is embedded throughout the organisation, with clear lines of accountability, oversight, and continuous improvement.



Legend:

Reporting ←

Review and advise ←

SUSTAINABILITY STATEMENT

SUSTAINABILITY MATERIALITY ASSESSMENT

Our materiality assessment process enables us to identify and prioritise the most critical sustainability risks and opportunities for both the Group and our stakeholders. The illustration below summarises the key phases of our materiality assessment process:

Phase 1: Identification of sustainability matters	Phase 2: Prioritisation of material sustainability matters	Phase 3: Review and validation of process and outcome
<ul style="list-style-type: none"> Understand our Group's distinctive operating context to gain a broad knowledge of relevant sustainability matters/issues (both internal and external) that could affect our ability to achieve intended business goals and outcomes Identify, engage and understand key stakeholders' needs and expectations pertaining to sustainability-related matters Derive a preliminary list of sustainability matters 	<ul style="list-style-type: none"> Determine the relative importance or materiality of sustainability matters by applying the materiality concept of significance/magnitude of their respective impacts (be it economic, environmental and/or social) and their respective influence on the assessments and decisions of stakeholders Disclose prioritised material sustainability matters in a manner that illustrates the relative importance of each such matter 	<ul style="list-style-type: none"> Subject the outcome of materiality assessment for validation and approval Establish a review process for the materiality assessment process Determine the frequency of undertaking the materiality assessment on sustainability matters at least on an annual basis



In FYE 2024, our Group conducted a comprehensive materiality assessment to identify and prioritise twelve (12) material sustainability matters across the economic, environmental, social, and governance pillars. This exercise provided us with a clear understanding of the issues most relevant to both our business operations and stakeholders, and the findings have since served as the foundation of our sustainability strategy and disclosures.

For FYE 2025, we conducted internal review of these material topics and concluded that no significant changes in the business model, operating environment, or stakeholders' expectations had emerged during the year. Hence, we continue to adopt the materiality matrix established in FYE 2024 as the basis for our sustainability priorities and reporting in FYE 2025.

SUSTAINABILITY STATEMENT

SUSTAINABILITY MATERIALITY MATRIX



Economic	Environmental	Social	Governance
<ul style="list-style-type: none"> Customers' Satisfaction Supply Chain Management 	<ul style="list-style-type: none"> Energy and Climate Change Management Water Management Waste Management Emission Management 	<ul style="list-style-type: none"> Diversity Health and Safety Labour Practices and Standards Community/ Society 	<ul style="list-style-type: none"> Corporate Governance & Ethics Data Privacy and Security



SUSTAINABILITY STATEMENT

STAKEHOLDERS' ENGAGEMENT TABLE

We strive to engage with our key stakeholders to ensure their expectations are understood and addressed in our sustainability efforts. The table below summarises their primary needs and how we engage with them.

Stakeholder Group	Type of Engagement	Sustainability Concerns	Frequency
Shareholder/ Investor	<ul style="list-style-type: none"> Annual general meeting Annual reports Quarterly reports Corporate visits Site visits Public announcements and press releases Group's website 	<ul style="list-style-type: none"> Economic performance Business and financial performance Compliance with relevant laws and regulations Transparency & accountability Commitment to sustainable growth 	<ul style="list-style-type: none"> Annually Quarterly As and when needed
Customer	<ul style="list-style-type: none"> Customers' satisfaction surveys Customers' audits Customers meetings 	<ul style="list-style-type: none"> Customers' satisfaction Data privacy and security Product and service quality Ethical business practices Protection of labour rights Commitment to environmental sustainability 	<ul style="list-style-type: none"> Annually As and when needed
Employee	<ul style="list-style-type: none"> Annual appraisals Whistleblowing channel Training plans Performance review Grievance channel 	<ul style="list-style-type: none"> Diversity and fair treatment Health and safety Labour practices and standards Competitive remuneration Career development 	<ul style="list-style-type: none"> Bi-annually As and when needed
Supplier	<ul style="list-style-type: none"> Supplier qualifications and due diligence Supplier performance evaluations Procurement policies 	<ul style="list-style-type: none"> Supply chain management Corporate governance & ethics Compliance with relevant laws and regulations 	<ul style="list-style-type: none"> Annually As and when needed
Regulator	<ul style="list-style-type: none"> Participation in programs organised by regulatory bodies Audits/ regular site visits Filings and submissions Consultations and dialogues 	<ul style="list-style-type: none"> Corporate governance & ethics Compliance with relevant laws and regulations Timely and transparent reporting 	<ul style="list-style-type: none"> Annually As and when needed
Local Communities	<ul style="list-style-type: none"> Volunteering programs and corporate social responsibility ("CSR") events Strategic partnership with education institution to attract future talents 	<ul style="list-style-type: none"> CSR programs ESG awareness and initiative 	<ul style="list-style-type: none"> As and when needed

SUSTAINABILITY STATEMENT

SUSTAINABILITY TARGETS AND PERFORMANCE

Sustainability Pillars and Matters	Targets and Goals	FYE 2025 Performance
Economic <ul style="list-style-type: none"> Customers' Satisfaction Supply Chain Management 	<ul style="list-style-type: none"> Delivery of quality products and services Promote purchases from local suppliers 	<ul style="list-style-type: none"> Achieved >75% customer satisfaction target across all subsidiaries 96% purchases with local suppliers
Environmental <ul style="list-style-type: none"> Energy and Climate Change Management Water Management Waste Management Emission Management 	<ul style="list-style-type: none"> Ensure environmental compliance Effective in energy, climate change, water, waste and emission management 	<ul style="list-style-type: none"> Electricity usage of 7,166,011 kWh Water usage of 63,834 m³ 333.78 metric tonnes of wastes generated
Social <ul style="list-style-type: none"> Diversity Health and Safety Labour Practices and Standards Community/ Society 	<ul style="list-style-type: none"> Promote diversity and inclusivity at workplace Zero case of work-related fatalities Promote training and development in the workplace Zero substantiated complaints concerning human rights violations Contribute to the wellbeing and living standard of local community 	<ul style="list-style-type: none"> 15% of workforce are women and 33% of the Directors are women representatives Zero work-related fatalities and lost time incident rate ("LTIR") 462 employees are trained on health and safety standards Achieved 3,791 of total training working hours. The total number of employee turnover is 63 Zero substantiated complaints concerning human rights violations Contributed a total of RM47,190.80 with 6 beneficiaries of the investment for communities (e.g. disability care centre, fire and rescue department, etc.)
Governance <ul style="list-style-type: none"> Corporate Governance & Ethics Data Privacy and Security 	<ul style="list-style-type: none"> Zero confirmed incidents of corruption Zero substantiated complaints concerning breaches of customer privacy and loss of customer data 	<ul style="list-style-type: none"> Zero confirmed incidents of corruption 100% of employees received training on Anti-Bribery & Corruption Policy Zero substantiated complaints concerning breaches of customer privacy and loss of customer data

SUSTAINABILITY STATEMENT

ECONOMIC



SUSTAINABILITY STATEMENT

CUSTOMERS' SATISFACTION

At Northeast, we recognise that customers' satisfaction is crucial to the long-term sustainability of our business. We are committed to continuously improving our product quality, maintaining and strengthening existing business relationships, and expanding our customer base. We place a strong emphasis on product quality, supported by a rigorous quality management system. Our in-house Quality Assurance ("QA") and Quality Control ("QC") teams oversee the manufacturing process to ensure adherence to both internal and international standards. Additionally, some of our customers conduct ad-hoc performance audits to assess our capability in meeting their requirements for product quality, manufacturing processes, and production capacity. This ongoing engagement ensures we continue to meet and exceed customers' expectations and secure long-term business relationships. We conduct customer satisfaction surveys to gather insights and identify continuous improvement opportunities. In our recent survey, we achieved overall customer satisfaction score above the target of 75%, with all subsidiaries exceeding the set goal.

The awards and recognitions received by our Group in the past are as follows:

- Export Excellence Awards – Exporter of the Year: Small and Medium Enterprise (2021);
- Export Excellence Awards – Machinery, Electrical & Electronic (Small and Medium Enterprise) (2021);
- Golden Eagle Award 2022 Malaysia 100 Excellent Enterprise – Top 2 Winner of Excellent Eagle (2022);
- Platinum Business Awards 2022 – SME Export Excellence Award (2022);
- Enterprise 50 Award (2022);
- Platinum Business Awards 2023 – SME Export Excellence Award (2023); and
- Golden Eagle Award 2023 Malaysia 100 Excellent Enterprises – Top 1 Winner of Excellent Eagle (2023).

These recognitions underscore our ongoing efforts to uphold the highest quality standards in all aspects of our operations, and we remain committed to meeting the evolving needs of our customers while navigating industry challenges.



Export Excellence Awards - Exporter of the Year: Small and Medium Enterprise (2021)



Export Excellence Awards - Machinery, Electrical & Electronics (Small and Medium Enterprise) (2021)



Golden Eagle Award Malaysia 100 Excellent Enterprise 2022: Top 2
2023: Top 1



Enterprise 50 Award - Usahawan Export Terbaik 2022



Enterprise 50 Award

SUPPLY CHAIN MANAGEMENT

We are committed to fostering local economic growth by actively supporting local businesses in the communities where we operate. As a key component of our procurement strategy, we prioritise sourcing goods and services from local suppliers who demonstrate the capability to meet our required standards. This approach not only strengthens local economies but also reinforces our commitment to sustainable and responsible business practices.

The proportion of purchases from local and foreign suppliers is as below:

	FYE 2023	FYE 2024	FYE 2025
Local suppliers	95%	95%	96%
Foreign suppliers	5%	5%	4%

SUSTAINABILITY STATEMENT

ENVIRONMENTAL



SUSTAINABILITY STATEMENT

ENERGY AND CLIMATE CHANGE MANAGEMENT

We are committed to addressing climate change by reducing energy consumption and minimising our environmental footprint. Understanding the significant risks posed by climate change and extreme weather events, we actively pursue initiatives that promote energy efficiency and contribute to climate change mitigation.

As part of our efforts, we incorporate energy-saving measures into our facilities, including using energy-efficient light-emitting diode ("LED") lighting, a common practice for our new facilities. We have also equipped our premises with timer controls for perimeter and signage lighting, ensuring energy is used only when needed. Furthermore, we encourage our employees to adopt energy-conscious behaviours, such as switching off lights and air conditioning when not in use, further reducing unnecessary energy consumption.

These actions reflect our commitment to reducing our carbon footprint. By implementing these energy-saving measures, we not only cut down on operational costs but also support broader climate goals and contribute to sustainability efforts both locally and globally.

The total energy consumption is summarised as below:

	Unit	FYE 2023	FYE 2024	FYE 2025
Petrol	Litre	— ^(*)	— ^(*)	5,827
Diesel	Litre	— ^(*)	— ^(*)	5,097
Electricity	kWh	6,065,890	6,174,762	7,166,011
Revenue	RM'000	93,335	90,143	119,620
Intensity	kWh/RM'000	0.06	0.07	0.06

Note:

(*) Data was not tracked previously.



SUSTAINABILITY STATEMENT

EMISSION MANAGEMENT

We are dedicated to reducing emissions in order to minimise our environmental impact and improve air quality across our operations.

As part of our efforts to reduce emissions, we have installed machine covers on our computer numerical controlled ("CNC") machines. These covers effectively prevent oil mist from escaping into the air on the production floor, reducing airborne emissions and maintaining a cleaner, healthier work environment. This initiative has led to improved air quality within our facilities and supports our broader sustainability goals by reducing industrial emissions.

The Greenhouse Gas ("GHG") Emission data is summarised as follows:

	Unit	FYE 2023	FYE 2024	FYE 2025
Scope 1 ^(a)	tCO ₂ e	— ^(*)	— ^(*)	13.72
Scope 2 ^(b)	tCO ₂ e	4,695.00	4,779.27	5,546.49
Scope 3 ^(c)	tCO ₂ e	— ^(*)	— ^(*)	— ^(^)

Notes:

- (a) **Scope 1 emissions, direct GHG emissions:** emissions that occur from sources that are owned or controlled by our Group. The calculation is based on petrol consumption for operational use, with the conversion derived from the emission factor published by the UK's Department for Environment, Food & Rural Affairs ("DEFRA").
- (b) **Scope 2 emissions, indirect GHG emissions:** emissions arising from the generation of purchased electricity consumed by our Group. The calculation is based on electricity bills, with the conversion derived from the emission factor published in the Malaysia Energy Commission's 2022 Grid Emission Factor. Emission data for prior years have been revised to reflect updated data sources and methodologies to ensure consistency and comparability with the current reporting year.
- (c) **Scope 3 emissions, all other indirect emissions not covered under Scope 1 and Scope 2:** a consequence of the activities of our Group but occur from sources not owned or controlled by us.
- (*) Data was not tracked previously.
- (^) Management is in the midst of collecting data, and barring any unforeseen circumstances, the Company expects that disclosure will be made for the financial year ending 2027 onwards.



SUSTAINABILITY STATEMENT

WATER MANAGEMENT

We are committed to responsible water use and efficient management across all our operations. Our approach focuses on monitoring and managing water consumption to reduce reliance on municipal water sources and minimise waste. This commitment is integral to our sustainability efforts and aligns with our broader environmental goals.

To achieve this, we have implemented several measures to enhance water conservation. We have introduced rainwater harvesting systems to collect and store rainwater for non-potable uses such as watering plants and cleaning purposes. In addition, in high water usage areas, we have installed self-release water taps to encourage efficient water consumption and reduce wastage.

These initiatives not only help conserve valuable water resources but also reduce our environmental footprint while fostering a culture of sustainability within our operations. As we continue to enhance our water management efforts, we make steady progress toward achieving our sustainability objectives and contributing to the preservation of this essential natural resource.



The total volume of water used is as below:

	Unit	FYE 2023	FYE 2024	FYE 2025
Water	m ³	42,041	53,176	63,834
Revenue	RM'000	93,335	90,143	119,620
Intensity	m ³ /RM'000	0.0005	0.0006	0.0005



SUSTAINABILITY STATEMENT

WASTE MANAGEMENT

We are committed to managing waste responsibly and sustainably, ensuring full compliance with all applicable regulatory requirements. Our priority is to minimise the environmental impact of our operations while making a positive contribution to the surrounding communities.

To achieve this, we have implemented 3R (Reduce, Reuse and Recycle) initiatives across all plants. These include increasing recycling activities, placing recycle boxes in visitor rooms, and reusing packaging materials from suppliers to minimise waste sent to landfills, reduce the consumption of natural resources, and conserve valuable materials.



We also ensure strict adherence to environmental regulations and standards concerning non-hazardous waste handling. Our waste management protocols are designed to ensure proper segregation, recycling, and disposal of all waste materials in compliance with relevant environmental laws.

Through these initiatives, we continue to reduce waste output, promote recycling, and ensure a sustainable approach to resource use, all of which align with our broader commitment to environmental compliance and stewardship.



	Unit	FYE 2023	FYE 2024	FYE 2025
Waste generated	Metric tonnes	194.18	293.71	386.71
Waste directed to disposal ⁽ⁱ⁾	Metric tonnes	177.68	285.99	333.78

Note:

- (i) There are wastes which have been generated and are currently being stored on-site, awaiting collection by the designated vendor. This is due to the vendor's requirement for a minimum collection quantity for certain types of waste.

SUSTAINABILITY STATEMENT

SOCIAL



SUSTAINABILITY STATEMENT

DIVERSITY

We are dedicated to fostering a diverse and inclusive working environment where fairness, respect, and equal opportunities are prioritised for all employees. Discrimination and harassment are not tolerated within our organisation, and we are committed to ensuring that every employee is treated with dignity and respect. We promote a culture of fairness by ensuring diversity in hiring and promoting employees, and are committed to providing equal opportunities for all, regardless of gender, race, age, religion, or political views.

In FYE 2025, our total workforce stood at 462 employees. The percentage of employees by gender, age group and category is tabulated as below:

Description	FYE 2023		FYE 2024		FYE 2025	
	Number of employees	%	Number of employees	%	Number of employees	%
By Gender						
Male	381	84%	451	88%	395	85%
Female	72	16%	63	12%	67	15%
By Age						
Below 30	198	44%	268	52%	232	50%
30-50	249	55%	241	47%	216	47%
Above 50	6	1%	5	1%	14	3%
By Employee Category						
Executive	33	7%	32	6%	24	5%
Non-Executive	392	87%	456	89%	407	88%
Managers and above	28	6%	26	5%	31	7%
Gender by Employee Category						
Executive						
- Male	16	48%	16	50%	7	29%
- Female	17	52%	16	50%	17	71%
Non-Executive						
- Male	339	86%	412	90%	361	89%
- Female	53	14%	44	10%	46	11%
Managers and above						
- Male	26	93%	23	88%	27	87%
- Female	2	7%	3	12%	4	13%

SUSTAINABILITY STATEMENT

DIVERSITY (CONT'D)

Description	FYE 2023		FYE 2024		FYE 2025	
	Number of employees	%	Number of employees	%	Number of employees	%
Age by Employee Category						
Executive						
- Below 30	-	-	-	-	5	21%
- 30-50	30	91%	29	91%	17	71%
- Above 50	3	9%	3	9%	2	8%
Non-Executive						
- Below 30	198	51%	266	58%	237	59%
- 30-50	193	49%	190	42%	168	41%
- Above 50	1	*	-	-	2	*
Managers and above						
- Below 30	-	-	-	-	-	-
- 30-50	26	93%	24	92%	23	74%
- Above 50	2	7%	2	8%	8	26%
Employment Type						
Permanent employees	128	28%	139	27%	150	32%
Contract or temporary employees	325	72%	375	73%	312	68%

Note:

* Negligible

Throughout the year, we celebrated various festive seasons together as a team, creating opportunities to embrace and appreciate the diverse cultures and traditions within our workforce. These celebrations not only strengthen the camaraderie among employees but also fostered an inclusive workplace environment where diversity is celebrated and valued.



Chinese New Year Dinner on 22 January 2025

SUSTAINABILITY STATEMENT

DIVERSITY (CONT'D)



Chinese New Year Gift Appreciation on 24 January 2025



Hari Raya Puasa Dinner on 21 March 2025

SUSTAINABILITY STATEMENT

DIVERSITY (CONT'D)



Bowling Tournament on 26 July 2025



Futsal Tournament on 20 September 2025

SUSTAINABILITY STATEMENT

DIVERSITY (CONT'D)

The Board recognises that diversity is essential for sound corporate governance and effective business strategy. In line with the Malaysian Code on Corporate Governance ("MCCG"), the Company strives to maintain at least 30% women representation on the Board.

For the FYE 2025, the Board consists of 2 women directors out of a total of 6 directors, representing 33%, and in compliance with the MCCG recommendation. Following the financial year, the Group appointed 2 additional male Executive Directors to further strengthen the Board's leadership and operational oversight. Following from this and the demise of Ong Guat Ean, women representation on the Board is now 1 out of 7 directors, representing 12.5%.

While this temporary reduction results in a departure from the MCCG recommendation, the Board remains fully compliant with the Listing Requirements. The recent appointments were made primarily to enhance the Board's composition, capability, and business stewardship. Moving forward, the Board will continue to give due consideration to diversity including gender, skills, experience, and background when evaluating future board appointments to ensure a well-balanced and effective Board.

The percentage of directors by gender and age group is summarised as below:

	FYE 2023		FYE 2024		FYE 2025	
	Number of directors	%	Number of directors	%	Number of directors	%
By Gender						
Male	2	100%	4	67%	4	67%
Female	-	-	2	33%	2	33%
By Age						
Below 50	-	-	-	-	-	-
50 and above	2	100%	6	100%	6	100%

HEALTH AND SAFETY

At our Group, the health and safety of our employees is a top priority, and we are fully committed to ensuring a safe and secure working environment. To achieve this, we prioritise in providing regular training, protective equipment, and implementing robust safety protocols to minimise workplace accidents and incidents. Our commitment is rooted in fostering a culture of safety and well-being, where all employees are equipped with the knowledge and resources to work confidently and safely.

We established a Health and Safety Committee to strengthen governance over workplace safety, promote employee well-being, and ensure continuous improvement in health and safety performance. During the financial year, we conducted various training programs in relation to health and safety.

Basic Occupational First Aid, Cardiopulmonary Resuscitation ("CPR"), and Automated External Defibrillators ("AED") Training - This training ensures employees are equipped with essential life-saving skills to respond effectively in medical emergencies.

Safety Day Event - This event promotes safety awareness across all departments.

Fire Drill Training - This training is to prepare employees to respond safely and quickly in the event of real fire by practicing the evacuation plan.

SUSTAINABILITY STATEMENT

HEALTH AND SAFETY (CONT'D)



As a result of these trainings, we have seen a positive impact on workplace safety. Employees are more confident in managing safety risks, and the provision of protective equipment, such as masks, safety shoes, and gloves, further strengthens our commitment to their well-being. These initiatives have contributed to a reduction in workplace accidents, enhanced safety awareness, and an overall improvement in the health and safety culture across the Group.

The number of work-related fatalities and lost time incident rate are summarised as below:

	Unit	FYE 2023	FYE 2024	FYE 2025
Work-related fatalities	Number	-	-	-
Lost time incident rate	Rate	0.18	-	-

The number of employees trained on health and safety standards are as follows:

	Unit	FYE 2023	FYE 2024	FYE 2025
Employees trained	Number	453	514	462



Our Group First Aid Training on 14 January 2025

SUSTAINABILITY STATEMENT

HEALTH AND SAFETY (CONT'D)



Safety Day on 24 April 2025



Fire Drill on 20 August 2025



Fire Drill on 14 July 2025 (Night Training)

SUSTAINABILITY STATEMENT

LABOUR PRACTICES AND STANDARDS

We are committed to upholding the highest standards of labour practices and human rights across all our operations. We believe that investing in the development of our employees and ensuring a fair, respectful, and ethical work environment are essential to driving long-term success. By promoting continuous learning, ethical behaviour, and strict compliance with labour laws, we aim to empower our workforce to reach their full potential and contribute meaningfully to our collective success.

In FYE 2025, we completed a total of 3,791 hours of training, with an average of 8.21 training hours per employee. The total hours of training by employee category is as below:

	Unit	FYE 2023	FYE 2024	FYE 2025
Executive	Hours	976	844	235
Non-Executive	Hours	2,223	768	3,053
Managers and above	Hours	248	316	503

During the year, the MOU Signing Ceremony has been conducted between our Group and InfoGenius Skills Training Centre, a strategic partnership aimed at promoting TVET skills development and creating employment opportunities for local talents. This collaboration reinforces our shared mission to align technical training with real industry needs, supporting the government's TVET Madani initiative towards a more inclusive, skilled, and future-ready Malaysia.

In FYE 2025, employee turnover increased by 41 headcounts compared to FYE 2024. We are committed to fostering employee growth and attracting new talent, as we recognise that an engaged and capable workforce is essential to the Group's sustainability. Our focus on talent retention and development ensures we have the right people in place to seize opportunities and navigate challenges effectively. Despite the rise in turnover, our continued efforts to support employees' professional growth and maintain a positive workplace environment position us well for sustainable growth and long-term success.

The total number of employee turnover by employee category is as follows:

	Unit	FYE 2023	FYE 2024	FYE 2025
Executive	Number	-	1	1
Non-Executive	Number	17	21	61
Managers and above	Number	-	-	1

We are dedicated to upholding human and labour rights by adhering to international standards and complying with all relevant local laws and regulations. Our commitment extends to fostering a respectful, inclusive workplace that is free from harassment, discrimination, and any inappropriate behaviour. We comply with labour-related regulations, including the Minimum Wages Order, ensuring fair wages, reasonable working hours, and appropriate compensation for our employees. We also prioritise promoting ethical conduct across all levels of our Group.

In FYE 2025, we are pleased to report that there were no substantiated complaints related to human rights violations, including any issues of forced or child labour, discrimination, or harassment. This achievement reflects our ongoing efforts to create and maintain a workplace rooted in respect, fairness, and integrity.

The total number of substantiated complaints concerning human rights violations is as follows:

	Unit	FYE 2023	FYE 2024	FYE 2025
Substantiated complaints concerning human rights violations	Number	-	-	-

SUSTAINABILITY STATEMENT

COMMUNITY/ SOCIETY

We recognise the importance of giving back to the communities in which we operate and are committed to fostering positive relationships and goodwill through meaningful community engagement. In the past, we have undertaken several CSR initiatives to give back to the community. For instance, we have supported a Paralympic Games swimming individual by providing financial assistance to help meet his daily needs, including expenses for training and sports activities. This support aims to empower him to achieve greater success in the future, and we are proud to be part of his inspiring journey and celebrate his remarkable accomplishments. In addition, we also made contribution to one former employee and to the father of one existing employee to support their medical expenses. Our contributions also extended to several institutions, including Persatuan Kebajikan Kanak-Kanak Cacat Yee Ran Jing Sheh, Persatuan Alumni S.R.J.K (C) Kuang Yu and Persatuan Bomba Sukarela Juru.

The total amount invested in the community where the target beneficiaries are external parties and the number of individuals benefited from these programs are tabulated as below.

	Unit	FYE 2023	FYE 2024	FYE 2025
Amount invested in CSR program	RM	21,000	7,000	47,191
Beneficiaries of the investment in CSR program	Number	1	1	6



Orphanage Home Visit on 23 August 2025



Participation in Karnival Kerjaya MYFUTUREJOBS@JAWI on 26 July 2025



In addition, we extend our support to orphanages, schools, and other charitable organisations through various assistance programmes. These efforts strengthen our connection with the community and promote social welfare, both of which remain key pillars of our CSR commitment. We also have successfully participated in Karnival Kerjaya MYFutureJobs @Jawi to support the Madani Government's new initiatives under the Budget 2024 to provide employment opportunities and upskilling in the public sector. As a result of Sosco Seberang Jaya's Karnival Kerjaya Myfuturejobs @Jawi, we shortlisted 28 individuals for immediate interviews in positions such as QA inspector, finance, mechanical engineering, and QA engineer. During the interview sessions, we successfully recruited three candidates.

SUSTAINABILITY STATEMENT

GOVERNANCE



SUSTAINABILITY STATEMENT

Our Group is committed to strong governance practices, ensuring that sustainability-related risks and opportunities are effectively overseen by the Board of Directors. We prioritise ethical business conduct through the adoption of key policies, including the Code of Conduct and Ethic, Anti-Bribery & Corruption Policy, Anti-Money Laundering Policy, and Whistle Blowing Policy. These policies guide our operations and promote transparency and integrity across all levels of the Group.

We provide transparent reporting on our ESG performance, financial data, and operational performance indicators to keep our stakeholders informed. Our Enterprise Risk Management Framework enables us to identify and manage various risks, such as operational, financial, sustainability, and reputational risks, particularly in our manufacturing processes and products. Additionally, we ensure compliance with industry-specific regulations and standards. Through these comprehensive measures, we maintain high ethical standards, manage risks effectively, and ensure compliance, reinforcing our commitment to sustainable and responsible business practices.

CODE OF CONDUCT AND ETHIC

Our Code of Conduct and Ethic ("Code") is designed to guide the Board and Directors, emphasising the principles of integrity, responsibility, sincerity, and corporate social responsibility. The Code seeks to strengthen corporate governance and ethical behaviour, with the following objectives:

- To establish a standard of ethical behaviour for Directors based on acceptable beliefs and values; and
- To uphold the spirit of professionalism, objectivity, transparency and accountability in line with the legislation, regulations and environmental, and social responsibility guidelines governing the Group.

Our Code is applicable to all Directors and employees of the Group. It provides guidance on maintaining proper standards of conduct, sound business practices, and ethical behaviour, based on the values of integrity, responsibility, trust, discipline, and diligence.



ANTI-BRIBERY & CORRUPTION POLICY

Our Group is committed to conducting business in an ethical, responsible, and transparent manner. We take a zero-tolerance approach to bribery and corruption, upholding the highest standards of integrity, openness, and accountability in all our operations. We aim to avoid any actions that may harm our integrity or reputation.

In compliance with the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018), we have formalised an Anti-Bribery & Corruption Policy, which applies to all Directors, employees, and associated persons, including agents, consultants, contractors, suppliers, and customers, bankers and any other persons dealing with the Group. Compliance with this Policy constitutes terms of service or conditions of providing services to the Group by these said parties. Each such person is bound to the provisions of this Policy upon notification of the most recent copy being given to them or placed in Group's website. This Policy ensures that we adhere to applicable laws, regulations, and procedures, and emphasises the prevention and detection of bribery and corruption.

SUSTAINABILITY STATEMENT

ANTI-BRIBERY & CORRUPTION POLICY (CONT'D)

The purpose of this Policy is to:

- Set out the responsibilities of the Group, its Directors, employees and associated persons, in observing and upholding the Group's position on bribery and corruption; and
- Provide information and guidance on how to deal with bribery and corruption issues that may arise in the course of business.

The percentage of employees who have received training on anti-corruption by employee category is summarised as follows:

	Unit	FYE 2023	FYE 2024	FYE 2025
Executive	%	100	100	100
Non-Executive	%	100	100	100
Managers and above	%	100	100	100

The percentage of operations assessed for corruption-related risks is summarised as follows:

	Unit	FYE 2023	FYE 2024	FYE 2025
Operations	%	100	100	100

The confirmed incidents of corruption is summarised as follows:

	Unit	FYE 2023	FYE 2024	FYE 2025
Confirmed incidents of corruption	Number	-	-	-

WHISTLE BLOWING POLICY

Our Group encourages all employees to raise genuine concerns about possible improprieties related to financial reporting, compliance, malpractices, and unethical business conduct within the Group at the earliest opportunity and in an appropriate manner.

The aim of our Whistle Blowing Policy is to:

- Encourage Whistle Blowers to feel confident in raising serious genuine concerns and to question and act on those concerns;
- Provide ways to raise those concerns and get feedback on action taken; and
- Re-assure Whistle Blowers that if they raise concerns in good faith, believing them to be true, they will be protected from possible reprisals or victimisation.

The scope of matters covered by this Policy includes, but is not limited to:

- Financial malpractice, impropriety or fraud;
- Corruption, bribery or blackmail;
- Failure to comply with laws or regulations or group/company policies and procedures;
- Criminal offences and miscarriage of justice;
- Endangerment of an individual's health and safety;
- Falsification or destruction of business or financial records, or misrepresentation or suppression of financial information; or
- Concealment of any or a combination of the above.

SUSTAINABILITY STATEMENT

WHISTLE BLOWING POLICY (CONT'D)

The principles underpinning this Policy are as follows:

- All concerns raised will be treated fairly and properly;
- The Group will not tolerate harassment or victimisation of anyone raising a genuine concern;
- The Group will ensure no Whistle Blowers will be at risk of suffering some form of reprisal as a result of raising a concern even if he is mistaken. The Group, however, does not extend this assurance to someone who maliciously raises a matter he knows is untrue or is acting for personal gain; and
- The submission of a false or frivolous report may have consequences for Whistle Blowers and he may be liable for damages towards anyone who suffered from such false report.

Our policies and procedures namely Code of Conduct and Ethic, Anti-Bribery & Corruption Policy, and Whistle Blowing Policy are made available on our Group's website at <https://northeast.my/>.



DATA SECURITY AND PRIVACY

We are committed to implementing data security and privacy measures to protect sensitive information, especially when dealing with proprietary formulations or customers' data. These measures are designed to safeguard the confidentiality, integrity, and availability of data, ensuring that the personal and proprietary information entrusted to us remains secure.

The total number of substantiated complaints concerning breaches of customers' privacy and loss of customers' data is as follows:

	Unit	FYE 2023	FYE 2024	FYE 2025
Substantiated complaints concerning breaches of customers' privacy and loss of customers' data	Number	-	-	-

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee ("**ARMC**") was formed on 15 January 2024 to assist the Board of Directors of the Company ("**Board**") in carrying out its responsibilities and meeting the Corporate Governance requirements. The ARMC reviews the quarterly financial information before recommending to the Board for approval and release to Bursa Malaysia Securities Berhad ("**Bursa Securities**"). It also reviews the system of internal controls established by management and the Board, and makes recommendations to the management on actions to be taken, if any, based on the reports of the independent Internal and External Auditors.

COMPOSITION OF ARMC

As at the date of this report, following to the demise of Ong Guat Ean on 1 January 2026, the members of the ARMC are as follow:

Ong Kim Nam	Chairman
Dato' Faiza Binti Zulklifi	Member

The Chairman of the ARMC, Mr. Ong Kim Nam is a Chartered Accountant with the Malaysia Institute of Accountants ("**MIA**") and a Fellow of the Association of Chartered Certified Accountants, UK.

The above composition of the ARMC complies with the ACE Market Listing Requirements.

TERMS OF REFERENCE

The terms of reference of the ARMC stipulating its role and the authority delegated by the Board are available on the Company's website at www.northeast.my.

ATTENDANCE OF MEETINGS

During the financial year ended 30 September 2025, the ARMC held six (6) meetings to discuss matters relating to the accounting and reporting practices of the Group and the Company.

Details of attendance of each ARMC member for the financial year ended 30 September 2025 are as follows: -

Name of Directors	Attendance
Ong Kim Nam	6/6
Dato' Faiza Binti Zulklifi	6/6
Ong Guat Ean	6/6

SUMMARY OF ACTIVITIES

During the financial year ended 30 September 2025, the ARMC had discharged its functions and carried out its duties as set out in the Terms of Reference.

The ARMC had also met up the External Auditors without the presence of all the Executive Directors of the Company during the financial year.

The following activities were undertaken by the ARMC for the financial year ended 30 September 2025: -

- Reviewed the Audit Planning Memorandum, which includes reporting responsibilities and deliverables, audit approach and audit scope with the external auditors prior to commencing of audit;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES (CONT'D)

The following activities were undertaken by the ARMC for the financial year ended 30 September 2025: - (Cont'd)

- b) Reviewed the audited financial statements of the Group together with the external auditor's report and their audit findings prior to tabling to the Board for approval;

In the review of the annual audited financial statements, the ARMC had discussed with the Management and the External Auditors on the accounting principles and standards that were applied and their judgment of the items that may affect the financial statements as well as issues and reservations arising from the statutory audit.
- c) Considered the appointment of External Auditors and their request for increase in audit fees;
- d) Reviewed the unaudited quarterly results of the Group, focusing particularly on the significant and unusual events before recommending them for approval by the Board of Directors for announcement to Bursa Malaysia Securities Berhad;
- e) Reviewed the related party transactions and conflict of interest situation that may arise within the Group, including any transactions, procedures and conducts that raises questions of Management's integrity and to ensure its compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad;
- f) Reviewed the following in respect of Internal Audit:
 - adequacy of scope, functions and resources of the outsourced internal audit function and that it has the necessary authority to carry out its work;
 - internal audit programme;
 - the major findings of internal audit investigations and management's responses, and ensure that appropriate actions are taken on the recommendations of the internal audit function; and
 - assessed the performance of the internal audit function.
- g) Considered the adequacy of management actions taken on internal and external audit reports;
- h) Reviewed risk assessment process to ensure effectiveness and consistence;
- i) Monitored action taken by management in response to risk; and
- j) Made recommendations to the Board on appropriate policies and procedures relating to risk management governance, risk management practices and risk control infrastructure for the Group.

INTERNAL AUDIT FUNCTION

During the financial year ended 30 September 2025, the internal audit function was outsourced and carried out by an independent professional consulting firm, Sterling Business Alignment Consulting Sdn. Bhd., to conduct an independent assessment of the adequacy of the internal control system, compliance with policies and procedures, make recommendation of control activities, risk management and relevant risk evaluation of the Group to be in compliance with the Malaysian Code on Corporate Governance 2021 and the ACE Market Listing Requirements of Bursa Securities.

The internal audit function of the Group was carried out by the appointed internal auditors in order to assist the ARMC in discharging its duties and responsibilities. The internal audit activities were carried out in accordance with the internal audit plan which comprises the following:

- The production function of NE Technologies Sdn Bhd;
- The procurement function of NE Technologies Sdn Bhd, including Recurrent Related Party Transactions (for purchases, if any) / Related Party Transactions / Conflict of Interest Procedures; and
- Follow-up on previously reported control weaknesses to verify closure.

The total cost incurred by the Group for outsourced internal audit services for FYE 2025 amounted to RM36,500.

The internal controls assessment focused on existing operations/functional areas of the Company and its subsidiaries.

The findings of the internal auditors have been presented to the ARMC, who has taken steps to ensure that appropriate actions are being taken to enhance the current internal control systems (where applicable).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of **Northeast Group Berhad** and its subsidiaries ("**Group**") remains steadfast in its commitment to upholding good corporate governance. We believe that robust governance frameworks are essential for driving long-term shareholders' value and safeguarding the interests of all stakeholders.

This statement outlines the Group's application of the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2021 ("**MCCG**") issued by the Securities Commission Malaysia and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**AMLR**").

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I) Board Responsibilities

A) Overview of the responsibilities

The Board holds overall governance responsibilities to lead and control the Group. This includes, amongst others, setting the Group's strategic direction, overseeing the conduct of its affairs to promote success, implementation of appropriate and effective internal control and risk management systems, and ensuring compliance with the applicable laws, regulations, guidelines and directives.

(i) Clear Functions Reserved for the Board and Those Delegated to Management

The Board recognises its stewardship role in guiding the Group's direction and operations, with the ultimate objective of enhancing long-term shareholders' value. In fulfilling this role, the Board is accountable for the overall corporate governance of the Group, which includes reviewing and approving the Group's strategic plan, overseeing business operations to ensure proper management, identifying principal risks and ensuring the appropriate internal controls and mitigation measures are in place. The Board is also accountable for succession planning, overseeing shareholder communication policies, and reviewing the adequacy and integrity of the management information as well as internal control systems of the Group. Key matters such as approval for interim and final financial results and major capital expenditure are reserved for the Board.

(ii) Clear Roles and Responsibilities

The Board undertakes, amongst others, the following duties and responsibilities:

- (a) Responsible for the overall corporate governance oversight of the Group, including setting strategic direction, establishing performance objectives for the Management, monitoring the achievement of these objectives, promoting ethical conduct of business and preventing bribery and corruption in the Group's business;
- (b) Determining the Group's overall strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of financial and operating performance of the Group;
- (c) Monitoring and evaluating the performance of the Management to ensure that the performance criteria remain relevant and dynamic to changing circumstances;
- (d) Ensure the Group maintains an effective system of internal controls and is able to identify and manage principal risks, thereby promoting operational efficiency and financial stability;
- (e) Overseeing the compliance with all relevant statutory and legal requirements;
- (f) Regularly considers succession planning and balanced composition of the Board;
- (g) Clearly defining the roles and responsibilities of members of the Board and the Management to promote accountability to the Company and its shareholders;
- (h) Establishing Board committees, as well as relevant policies and procedures to support effective discharge of the Board's duties;
- (i) Together with Management, to take responsibility for the sustainability governance of the Group, including formulation the Group's sustainability strategies, priorities and targets;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I) Board Responsibilities (Cont'd)

A) Overview of the responsibilities (Cont'd)

(ii) Clear Roles and Responsibilities (Cont'd)

The Board undertakes, amongst others, the following duties and responsibilities: (Cont'd)

- (j) To ensure that the Group's sustainability strategies, priorities and targets and related performance are communicated to the Company's shareholders and other stakeholders;
- (k) To take appropriate measures to ensure Board members remain informed of, and understand sustainability related matters which are relevant to the Group and its business, including climate-related risks and opportunities;
- (l) To monitor Management's performance and business results; and
- (m) To ensure Management possesses necessary skills and experience, and that appropriate succession plans are in place for Board members and Management.

The Board has established three (3) Board Committees which operate within its own specific terms of reference. The Board Committees undertake in-depth deliberation of the issues at hand before tabling its recommendations thereon to the Board.

The three (3) Board Committees are as follows:

- (a) Audit and Risk Management Committee ("**ARMC**");
- (b) Nomination Committee ("**NC**"); and
- (c) Remuneration Committee ("**RC**").

The Chairman of the respective Board Committees reports to the Board on the outcome of the respective Board Committee meetings.

(iii) Code of Conduct and Compliance

The Group has formalised its ethical standards through the Code of Conduct and Ethic ("**Code**") to ensure Directors and employees practise ethical, business like and lawful conduct, including proper use of authority and provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability. The Code was adopted by the Board on 18 March 2024 and is published on the Group's website at www.northeast.my.

The Group has also implemented the Whistleblower Policy to provide employees with a secure channel to seek guidance and report any suspected and/or known misconduct, wrongdoings, corruption and other malpractices involving the resources of the Group and in the matters of financial reporting and compliance. Reports can be made anonymously and arrangements are in place for independent investigations and appropriate follow-up action. This policy was adopted by the Board on 18 March 2024 and is published on the Group's website at www.northeast.my.

(iv) Anti-Bribery and Corruption Policy

The Group maintains a zero-tolerance stance towards bribery, be it giving or accepting the ill-gotten monies.

In line with this commitment, the Group has established an Anti-Bribery and Corruption Policy, including provisions on corporate liability for corruption pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). Our employees are made aware that the Group has an Anti-Bribery and Corruption Policy and that the Group does not condone to gift giving/ receiving. This policy was adopted by the Board on 18 March 2024 and published on the Group's website at www.northeast.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I) Board Responsibilities (Cont'd)

A) Overview of the responsibilities (Cont'd)

(v) Business Sustainability and Environmental, Social and Governance

The Group is committed to conduct its business in a responsible and sustainable manner, taking into account environmental, social and economic considerations, while complying with all relevant laws and regulations. The Group strives to achieve long-term sustainable balance between meeting its business goals and preserving the environment as it recognises that the sustainability of ecosystems is an integral part of sustaining its long-term business plans. Further details on the Group's sustainability practices are set out on pages 23 to 49 of this Annual Report.

(vi) Access to Information and Advice

Prior to the Board and Board Committees meetings, Directors are provided with appropriate documents, which include the agenda, Board papers and reports on matters to be deliberated at the meetings, covering financial, operational and regulatory compliance aspects. Such documents are circulated to all Directors to enable them to review the information, seek further explanation where necessary, and enable focused and constructive deliberation at meetings. All proceedings of Board meetings are minuted and signed by the Chairman of the meeting in accordance with the provisions of the Companies Act 2016.

Presentations and briefings by the Management and relevant external consultants, where applicable, are also held at Board meetings to advise the Board and furnish relevant information and clarification for the Board to arrive at a considered decision.

All Directors have unrestricted access to the Management and all information relating to the Group in order to discharge their duties. The Board may, where necessary, obtain independent professional advice on specific matters, at the Group's expense.

All Directors have direct access to the services of the Company Secretary. The Board is regularly updated and advised by the Company Secretary.

(vii) Qualified and Competent Company Secretary

The Board is supported by an experienced and competent Company Secretary in discharging its duties and responsibilities. The Company Secretary is a qualified Chartered Secretary, i.e. a member of the Malaysian Institute of Chartered Secretaries and Administrators. The Board receives regular advice, updates and notices from the Company Secretary to ensure compliance with applicable laws, regulations and corporate governance matters. The Company Secretary attend and ensure that all Board and Board Committees meetings are properly convened and all deliberations and decisions, are properly minuted and kept. In addition, the Company Secretary ensures that Board's policies and procedures are adhered, and that the applicable statutory and regulatory requirements are observed.

The appointment and termination of Company Secretary are under the purview of the Board.

(viii) Board Charter

The Board delegates the day-to-day operations of the Group to the Managing Director, Executive Directors and Management who possess relevant experience and expertise in the respective business of the Group. The Board has established clear functions reserved for the Board and those delegated to the Management as set out in the Board Charter ("**Charter**"). The Charter provides guidance for the Directors and the Management on the roles and responsibilities of the Board and its Board Committees, as well as the expected standards of conduct and governance. The Charter is subject to periodical review to ensure alignment with the Board's strategic objectives as well as relevant standards of corporate governance. The Charter was adopted by the Board on 18 March 2024 and is published on the Group's website at www.northeast.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I) Board Responsibilities (Cont'd)

B) Reinforce Independence

(i) Assessment of Independence

The Board conducts an annual assessment of Independent Non-Executive Directors and is satisfied that they continue to exercise independent and objective judgement to Board deliberations. Annual self-assessment is also carried out by the Independent Non-Executive Directors to reaffirm their independence.

(ii) Tenure of Independent Director

The Board has taken note one of the recommendations of MCCG stating that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Non-Executive Director may, subject to the conditions set out in the Charter, continue to serve on the Board as a Non-Independent Non-Executive Director. The Board also noted on the AMLR's cumulative twelve (12) years tenure limit for Independent Directors.

(iii) Chairman, Managing Director and Executive Directors

The roles of the Chairman, Managing Director and Executive Directors are clearly separated to ensure there is a balance of power, authority and accountability. The Chairman of the Board is not a member of the ARMC, NC and RC and is not involved in the three (3) Board Committees. The Chairman is primarily responsible for the leadership, effectiveness, conduct and governance of the Board, while the Managing Director and Executive Directors have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

The Board is led by Dato' Seri Lee Kah Choon, an Independent Non-Executive Chairman while the executive management of the Group is headed by the Managing Director, Ng Chay Chin and Executive Directors, Chong Ewe Hean, Ng Chai Hee and Yin Thien Hee. The Managing Director and Executive Directors are supported by the Management, responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies of the Group.

The Executive and Non-Executive Directors, drawing on their diverse backgrounds and specialisations, collectively contribute a broad range of experience and expertise, including finance, legal matters, corporate affairs, marketing and operations.

(iv) Composition of the Board

At the date of this statement, the Board consists of eight (8) members comprising one (1) Independent Non-Executive Chairman, one (1) Managing Director, three (3) Executive Directors and three (3) Independent Non-Executive Directors. All the Independent Non-Executive Directors fulfil the criteria of independence as defined in the AMLR. Half of our Board comprises Independent Non-Executive Directors which provides an effective check and balance in the functioning of the Board. In the event of any vacancy in the Board resulting in non-compliance with Rule 15.02 (1) of the AMLR, the Company must fill the vacancy within three (3) months.

The presence of Independent Non-Executive Directors in the Board is essential as they provide an unbiased and independent view, advice and judgement to the decision-making of the Board and provide an appropriate check and balance for the Managing Director, Executive Directors and Management, thereby ensuring that no one individual or group dominates the Board's decision-making process. Independent Non-Executive Directors also ensure that strategies proposed by the Management are subject to robust deliberations and take into account the interests of minority shareholders, employees, customers and the communities in which the Group conducts its business. Together with the Managing Director, Executive Directors and Management who have intimate knowledge of the businesses, the Board is constituted of individuals who have a proper understanding of and competence to deal with current and emerging business issues.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I) Board Responsibilities (Cont'd)

C) Foster Commitment

(i) Time Commitment and Expectations

During the financial year ended 30 September 2025, the Board had six (6) meetings where it deliberated upon and considered a variety of matters, including the Group's listing exercise, financial results, strategic decisions and the overall direction.

Name of Directors	Attendance
Dato' Seri Lee Kah Choon	6/6
Ng Chay Chin	6/6
Chong Ewe Hean	6/6
Dato' Faiza Binti Zulkifli	6/6
Ong Kim Nam	6/6
Ong Guat Ean	6/6

The table above excludes two (2) Executive Directors who were appointed after the financial year ended 30 September 2025 i.e. 25 November 2025.

All the Directors (save for the two (2) newly appointed Executive Directors) have complied with the minimum 50% attendance requirement as stipulated in the AMLR.

All Directors are furnished with the notice of meeting, agenda and supporting documents on matters requiring their consideration in advance of each Board meeting. The Chairman, with the assistance of the Company Secretary, undertakes the primary responsibility for organising information necessary for the Board to deal with the agenda and for providing this information to the Directors on a timely basis. During the meetings, the Board is briefed on matters dealt with in the agenda and, where appropriate, additional information is made available to Directors. All proceedings of Board meetings are duly recorded and the minutes thereof are signed by the Chairman of the Board.

(ii) Training

The Board, through the NC, ensures that it recruits high calibre individuals with relevant industrial, knowledge and experience to fulfil the duties of a Director appropriately. As at the date of this Statement, all Directors (save for the two (2) newly appointed Executive Directors) have attended and successfully completed the Mandatory Accreditation Programme Part I & Part II as required by Bursa Securities. The two (2) newly appointed Executive Directors are scheduled to undergo the required training within the timeframe stipulated by the Listing Requirements.

The Board is cognizant of the need to ensure that its members undergo continuous trainings to enhance their knowledge, expertise, skills and professionalism in discharging their duties. As the Board members have attended a diverse range of training programmes during the year to enhance their knowledge and skills in specific areas, the NC is satisfied that the Directors have assessed and addressed their own training needs.

D) Uphold Integrity in Financial Reporting

(i) Compliance with Applicable Financial Reporting Standards

In presenting the annual financial statements and announcements of quarterly financial results to shareholders, the Board takes responsibility in conveying a balanced and understandable assessment of the Group's position and prospects.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I) Board Responsibilities (Cont'd)

D) Uphold Integrity in Financial Reporting (Cont'd)

(ii) Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the audited financial statements, announcements of quarterly financial results to Bursa Securities as well as the Chairman's statement and review of financial and operations in the Annual Report. The Board is assisted by the ARMC to oversee the Group's financial reporting processes and the quality of its financial reports.

(iii) Directors' Responsibility Statement in Respect of the Preparation of the Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group as at the end of the financial year and the results of their operations and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016 have been applied.

In preparing the financial statements, the Board has selected and consistently applied suitable accounting policies and made reasonable and prudent judgements and estimates.

The Board also have a general responsibility for taking such steps as are reasonable to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

(iv) State of Internal Controls

The Statement on Risk Management and Internal Control furnished on pages 65 to 67 of this Annual Report, provides an overview of the state of internal controls within the Group.

(v) Relationship with the Auditors

Key features underlying the relationship of the ARMC with the internal and external auditors are included in the ARMC's terms of reference and the terms of reference are published on the Group's website at www.northeast.my.

A summary of the work of the ARMC during the financial year is set out in the ARMC Report on page 51 of this Annual Report.

(vi) Assessment of External Auditors

The ARMC is responsible for assessing the performance, competency and independence of the external auditors, including evaluating the independence relating to provision of non-audit services by the external auditors.

II) Board Composition

A) Nomination Committee

The NC comprises the following members: -

Chairman	:	Ong Guat Ean Independent Non-Executive Director
Members	:	Dato' Faiza Binti Zulkifli Independent Non-Executive Director
		Ong Kim Nam Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II) Board Composition (Cont'd)

A) Nomination Committee (Cont'd)

The NC consists entirely of Independent Non-Executive Directors. In observance with MCCG, the NC is chaired by an Independent Non-Executive Director.

The NC is responsible for identifying, evaluating and nominating suitable candidates to be filled to the Board and Board Committees. In evaluating candidates for new appointments or Directors seeking re-election, the NC considers the criteria as set out in the Directors' Fit and Proper Policy, including skills, knowledge, experience, expertise, professionalism, integrity, capabilities, competencies and time commitment. For candidates proposed as Independent Non-Executive Directors, additional consideration is given to the candidates' ability to exercise independent judgement and their credibility.

Potential candidates are sourced by the Management through referral from business contacts. The NC will then interview the proposed candidate, and assess him/her based on the Directors' Fit and Proper Policy. The proposed candidate will be shortlisted and recommended to the Board. The final decision on the appointment of a candidate recommended by the NC rests with the Board. The Board is supported by Company Secretary to ensure that all appointments are properly made upon obtaining all necessary information from the Directors.

The Board, assisted by the NC, assesses the effectiveness of the Board, the Board Committees and the contribution of each individual Director, including Independent Non-Executive Directors, on an annual basis (save for the two (2) newly appointed Executive Directors). Questionnaires are sent to Directors to obtain their feedback, views and suggestions to improve the performance of the Board and its Board Committees. The assessment results were summarised for analysis by the Company Secretary. The recommendations of the NC will be presented to the Board for consideration.

The NC had one (1) meeting for the financial year ended 30 September 2025 and all NC members attended the meeting. During the financial year, the NC conducted an assessment on the effectiveness of the Board, the Board Committees and the contribution of each Director. Various factors were considered including its composition and size, mix of skills and experience, conduct of meetings, roles and responsibilities, contribution and performance, communications and supply of timely information. All assessments and evaluations carried out by the NC are documented. The NC has also identified programmes, with the assistance of the Company Secretary, for the continuous training of the Board members to ensure that they are conversant with industry trends and developments. The Board has taken steps to ensure that its members continuously have access to appropriate continuing education programmes.

The Board supports gender diversity policy and has two (2) female Independent Non-Executive Directors. Following the appointment of two (2) new male Executive Directors, female Directors represent approximately 25% of the overall Board composition. While the Board does not have a formal gender diversity policy, it remains committed to providing fair and equal opportunities and fostering diversity within the Group based on merit, experience and knowledge. To align with the Malaysian Code on Corporate Governance's recommendation of achieving at least 30% women representation on the Board, the Board is actively identifying and evaluating qualified female candidates for future appointments to ensure a diverse and balanced Board composition. The same principle applies to the Management appointments within the Group.

In the absence of formal procedure, a Director accepting a new directorship will notify the Board ahead of his/her new appointment and pledged his/her time commitment to the Company. Going forward, the Board will continue to obtain assurance from its Directors on their full commitment to devote sufficient time to carry out their responsibilities effectively and efficiently and where appropriate, the ability of the candidates to act as Independent Non-Executive Directors to exercise independent judgement and opinion.

The Terms of Reference of the NC is published on the Group's website at www.northeast.my, in line with Rule 15.08A(2) of the AMLR.

B) Re-election

In accordance with the provisions of the Company's Constitution, one-third of the Directors for the time being or, if their number is not a multiple of three (3), then the number nearest to one-third shall retire from office at the Annual General Meeting ("AGM"). All the Directors shall retire from office once at least in each three (3) years and shall be eligible for re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II) Board Composition (Cont'd)

B) Re-election (Cont'd)

At the forthcoming AGM, Mr. Chong Ewe Hean and Dato' Seri Lee Kah Choon will retire by rotation pursuant to Article 88 of the Company's Constitution while Mr. Yin Thien Hee and Mr. Ng Chai Hee will retire pursuant to Article 95 of the Company's Constitution. All retiring Directors, being eligible, offer themselves for re-election.

The evaluation process was carried out through a set of questionnaires which was duly completed by each NC member, with respect to each of the Directors seeking for re-election with reference to Directors' Fit and Proper Policy. The NC assessed and is satisfied and made recommendations to the Board for re-election of all the retiring Directors.

III) Directors' Remuneration

A) Remuneration Committee

The Board has established RC consisting of the following Independent Non-Executive Directors: -

Chairman	:	Dato' Faiza Binti Zulkifli Independent Non-Executive Director
Members	:	Ong Guat Ean Independent Non-Executive Director
		Ong Kim Nam Independent Non-Executive Director

The Group's policy on Directors' remuneration is designed to attract, retain and motivate Directors to effectively oversee the business of the Group. The RC is responsible for recommending and implementing a structured remuneration framework for the Directors, Managing Director, Executive Directors and Management.

In determining remuneration packages, the RC considers corporate financial performance as well as performance on a range of non-financial factors, including the accomplishment of strategic goals. The RC recommends to the Board the remuneration package of the Directors, Managing Director, Executive Directors and Management. The Board is responsible in approving the remuneration package of the Managing Director, Executive Directors (save for Directors' fees and other benefits which are to be approved by shareholders) and Management, with the Managing Director and Executive Directors concerned abstaining from deliberation and voting on the same.

For Non-Executive Directors, the level of remuneration reflects their experience and level of responsibilities undertaken by each of the Non-Executive Directors, and is determined by the Board as a whole. The said Non-Executive Directors concerned will abstain from deliberations or voting on decisions in respect of their individual remuneration.

All the Directors are paid with Directors' fees and meeting allowances (save for the Managing Director and Executive Directors). Additional fees will be given for undertaking responsibilities as Chairman of the Board. The aggregate amount of Directors' fees to be paid to the Directors is subject to the approval of the shareholders at the AGM.

Detailed disclosure on name basis of the nature and amount of each major element of the remuneration of Directors of the Company during the financial year ended 30 September 2025 is disclosed in the Corporate Governance Report, which can be downloaded from the Group's corporate website at www.northeast.my or Bursa Securities' website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I) Risk Management Framework

The Board places strong emphasis on maintaining a robust internal controls to safeguard the Group's assets and shareholders' investment. To this end, the Board affirms its overall responsibility for the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls. The Board recognises that any system of internal control is designed to manage, rather than eliminate risks. As such, the system can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

Ongoing reviews are performed throughout the year to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place.

II) Internal Audit Function

The Board acknowledges the importance of the internal audit function and has engaged the services of an external independent professional consulting firm who reports directly to the ARMC at least once on a semi-annual basis. Further details of the Group's internal control system and framework are found in the Statement on Risk Management and Internal Control set out on pages 65 to 67 and the ARMC Report on page 51 of this Annual Report respectively.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP

I) Corporate Disclosure

The Board recognises the importance of accountability to its shareholders through proper and equal dissemination of information to its shareholders. The Board acknowledges that shareholders should be informed of all material business matters which influence the Group. Timely announcements of quarterly financial results to Bursa Securities and other information and corporate actions taken by the Group that warrant an announcement to Bursa Securities under the AMLR provides shareholders with a current overview of the Group's performance. To this end, the Board has established a policy on Corporate Disclosure which provides guidance to the Board, Management and the employees on the Group's disclosure requirements and practices in disseminating material information to and in dealing with stakeholders, analysts, media and the investing public.

In addition, the Board and the Management welcome any form of visit by fund managers and analysts and conduct regular briefings to them as the Board believes that this will give investors and interested parties a better appreciation and understanding of the Group's performance and awareness of the expectations and concerns of investors and such interested parties.

II) Using Information Technology for Effective Dissemination

The Group also maintains an official website at www.northeast.my to provide information and news of the Group to the public. While the Group endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. In this regard, the Directors exercise due care to ensure that material information is not selectively disclosed. The importance of timely and equitable dissemination of information to all shareholders and stakeholders is consistently emphasised.

III) Encourage Shareholder Participation at General Meetings

Whilst this Annual Report provides a comprehensive source of information on the Group's financial and operational performance, AGMs and Extraordinary General Meetings provide a platform for shareholders to seek more information and clarification on the audited financial statements, operational issues and other matters of interest.

The Directors are available to answer any such questions that may arise as shareholders may seek more information than what is available in this Annual Report. The Company's practice is to send out the notice of AGM and related papers to shareholders at least twenty-one (21) days before the meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP (CONT'D)

IV) Poll Voting

At general meetings, shareholders are given the opportunity to seek clarification on any matter pertaining to the business activities and financial performance of the Group. All resolutions in the general meetings will be deliberated, and take on the questions and answers before putting to vote. Voting is by way of poll and an independent scrutineer is appointed to verify the poll results.

V) Communication and Engagement with Shareholders

The Board will maintain an effective communication policy that enables both the Board and Management to communicate effectively with shareholders and the general public. The shareholders shall be informed of all material matters affecting the Group.

The ways of communication to shareholders are as follows: -

- (i) timely announcements and disclosures made to Bursa Securities, which include quarterly financial results, material contracts or awards, changes in the composition of the Group and any other material information that may affect investors' decision making;
- (ii) make available the additional corporate information and/or disclosures of the Group for reference on the Group's website; and
- (iii) ensure that the general meetings are conducted in an efficient manner, which includes the supply of comprehensive and timely information and active participation with the shareholders at the general meetings.

VI) Conduct of General Meetings

General meetings are the principal forum for dialogue and interaction with the shareholders.

The forthcoming 3rd AGM is scheduled on 24 February 2026.

The notice of AGM was circulated to shareholders at least 21 days before the meeting date, to provide adequate notice and time to consider the resolutions to be discussed and to make informed decisions. The notice for the AGM provides an outline of the resolutions to be presented during the AGM, along with explanatory notes and background information where necessary.

The Chairman and Board members are aware of their roles and responsibilities and are committed to attending the AGM once the meeting date has been scheduled. The Board will be available to address questions and provide responses as needed.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

Northeast Group Berhad was listed on the ACE Market of Bursa Malaysia Securities Berhad on 15 October 2024. As part of the listing exercise, the Company undertook a public issue of 168,989,000 new ordinary shares at an issue price of RM0.50 per share, raising gross proceeds of RM84,494,500.

The status of utilisation as at 31 December 2025 is as follows:

Details of the use of proceeds	Original proposed utilisation ⁽ⁱ⁾ RM'000	Variation ⁽ⁱⁱ⁾ RM'000	Revised proposed utilisation RM'000	Actual utilisation RM'000	Unutilised Public Issue Proceeds RM'000	Original time frame for the use of Public Issue Proceeds ⁽ⁱⁱⁱ⁾	Revised time frame for the use of Public Issue Proceeds
Construction of the New Factory	40,000	(20,000)	20,000	346	19,654	Within 36 months	^(iv) Within 51 months (up to 7 June 2029)
Partially fund the Proposed Acquisitions	-	14,718	14,718	14,718	-	-	^(iv) Within 10 months (up to 7 January 2026)
Partially fund the construction of a warehouse for Property I	-	5,282	5,282	45	5,237	-	^(iv) Within 36 months (up to 7 March 2028)
Repayment of bank borrowings	20,000	-	20,000	20,000	-	Within 12 months	No change
Purchase of new CNC machines	12,378	-	12,378	2,701	9,677	Within 36 months	No change
Working capital	5,516	-	5,516	5,516	-	Within 12 months	No change
Estimated listing expenses	6,600	-	6,600	6,600	-	Within 1 month	No change
Total	84,494	-	84,494	49,926	34,568		

Notes:

- (i) As per the Prospectus of the Company dated 26 September 2024.
- (ii) On 7 March 2025, the Company announced that the Board has deliberated and resolved to vary and extend the time frame for utilisation of RM20.00 million from the unutilised IPO proceeds and extend the time frame to utilise the balance of RM20.00 million for the construction of the revised New Factory ("**Variation and Extension**").
- (iii) From the date of listing of the Company on the ACE Market of Bursa Securities on 15 October 2024.
- (iv) From the date of the Variation and Extension announcement on 7 March 2025.

The use of proceeds as disclosed above should be read in conjunction with the Prospectus and the Variation and Extension announcement.

2. Material Contracts

There are no material contracts entered into by the Company and its subsidiaries involving the interests of Directors, chief executive (who is not a Director) or major shareholder, which are still subsisting at the end of the financial year or entered into since the end of the previous financial year.

ADDITIONAL COMPLIANCE INFORMATION

3. Recurrent Related Party Transactions of Revenue Nature

Our Group does not have any recurrent related party transaction of revenue nature for the financial year ended 30 September 2025 ("FYE2025").

4. Audit and Non-Audit Fees

The audit and non-audit fees paid and payable for services rendered to the Company and the Group by the Company's external auditors for the FYE2025 are as follows:

Type of Fees	Company (RM)	Group (RM)
Audit Fees	33,000	145,000
Non-Audit Fees	4,000	4,000
Total	37,000	149,000

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. Introduction

Our Board of Directors ("**Board**") acknowledges the importance of maintaining sound risk management and internal control system within our Group and is pleased to present its Statement on Risk Management and Internal Control for the financial year ended ("**FYE**") 30 September 2025 and up to the date of approval of this statement disclosed pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**AMLR**") and Malaysian Code on Corporate Governance 2021 ("**MCCG**") issued by the Securities Commission Malaysia. This statement was prepared after taking into account the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**Guidelines**").

2. Board Responsibilities

Our Board is ultimately responsible for overseeing the performance of the Group in achieving its objectives. This includes ensuring that the risk management and internal control systems are adequate and effective.

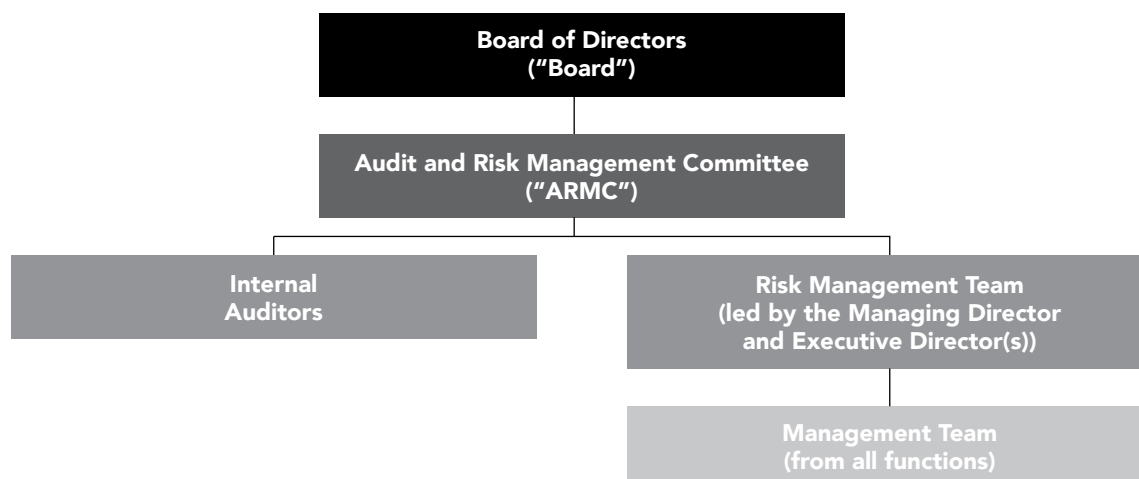
Our Board acknowledges the critical role of risk management and maintaining a sound internal control system for our Group to safeguard the shareholders' investment and our Group's assets, and to discharge their stewardship responsibilities in identifying and reviewing risks and ensuring the implementation of appropriate systems to manage these risks. In fulfilling its responsibilities, our Board is committed in maintaining appropriate risk management and internal control systems and to review their adequacy and effectiveness so as to provide assurance on the achievement of our Group's objectives. While our Board strives to maintain the relevant risk management and internal control systems and regularly reviews their adequacy and effectiveness, it recognises that these systems have inherent limitations. Therefore, they are designed to manage, rather than to eliminate, the risk of failure to achieve our Group's business objectives. Accordingly, the systems can only provide reasonable and not absolute assurance against material misstatement, losses or fraud.

Our Board has delegated the oversight of risk management and internal control function to the Audit and Risk Management Committee ("**ARMC**"), comprising solely of Independent Non-Executive Directors. The ARMC is tasked to determine whether a robust process is in place to identify, manage and monitor critical risks, oversee the execution of such process and ensure that it is continuously improved as the business environment changes. On a periodic basis, our Board, via the ARMC, will evaluate the adequacy and operating effectiveness of the risk management and internal control systems and, where appropriate, require the Management to implement pertinent controls to address emerging issues or areas of control deficiencies.

3. Risk Management Framework

Our Group has established an Enterprise Risk Management ("**ERM**") framework which provides a comprehensive and proactive approach to identify and manage risks across the Group. This framework serves as a structured guide that defines the objectives, roles, and responsibilities of the Risk Management team, the Board, and the ARMC, and outlines key components such as risk identification, assessment, appetite, response, control activities, communication, oversight, and monitoring. This framework underscores our commitment to maintaining a proactive risk management culture, safeguarding stakeholders' interests, and achieving our strategic objectives.

The risk reporting structure is outlined below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3. Risk Management Framework (Cont'd)

The Risk Management team, led by the Managing Director and Executive Director(s), comprises Management representatives from all functions across the Group, plays a pivotal role in overseeing our Group's ERM framework. The Risk Management team is tasked with steering our Group's ERM strategy and fostering a proactive risk awareness culture throughout the organisation. As part of its responsibilities, the Risk Management team conducts an annual review of all identified risks. This process includes coordinating the development of risk mitigation action plans to address key areas of concern. Additionally, the Risk Management team will monitor the results of key performance indicators relating to ERM, ensuring alignment with our Group's objectives and adherence to best practices in corporate governance.

In FYE2025, an ERM exercise was conducted covering operational, financial, compliance, and strategic risks across the Group and presented to the Board. The assessment focused on procurement governance, production data integrity, regulatory compliance readiness, human capital dependency, and customers' concentration.

Overall, our Group's risk posture remains moderate, with exposures in procurement governance and regulatory compliance readiness. Through focused mitigation actions, our Group continues to strengthen operational resilience, enhance regulatory compliance, and advanced governance maturity, supporting our growth as a public listed entity on Bursa Securities.

4. Internal Control System

The Board acknowledges that a sound internal control system could reduce the risks and will impede the Group from achieving its goals and strategic objectives. The salient elements of our Group's internal control system are described below:

A. Organisation structure with defined roles and responsibilities

Board of Directors/ Board Committee Meetings

The role, function, composition, operation and processes of our Board are guided by the Board Charter. Board Committees, namely ARMC, Nomination committee ("NC") and Remuneration Committee ("RC") are established with terms of reference clearly outlining their functions and duties delegated by our Board. ARMC assists our Board in reviewing the effectiveness of the ongoing monitoring processes related to risk and control matters within their scope of work.

Meetings of our Board and respective Board Committees are carried out on a scheduled basis to review the performance of our Group, from financial and operational perspectives.

Company Secretary

The Company Secretary provides the necessary advice and guidance on matters relating to the Constitution of our Company, Board policies and procedures, and compliance with relevant regulatory requirements, codes or guidance.

Delegation of Authority

Our Group's organisational structure is designed to clearly define lines of responsibility, delegation of authority, segregation of duties, and information flow, ensuring alignment with the operational needs of our business. This structure establishes clear levels of accountability and responsibility for various management roles. Additionally, our Group has implemented specific authorisation limits and approval levels for Management, including those requiring Board's approval.

B. Integrity and Ethical Value

The tone from the top on integrity and ethical values are enshrined in the formal Code of Conduct and Ethic ("Code") established and approved by our Board. The Code forms the foundation of the integrity and ethical values of our Group.

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, a formal Anti-Bribery and Corruption Policy has been put in place to prevent the risk of bribery and conflict of interest within our Group with a Whistle Blowing Policy implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, malpractices and unethical business conduct within the Group at the earliest opportunity and in an appropriate way.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4. Internal Control System (Cont'd)

C. Policies and Standard Operating Procedures ("SOPs")

Our Group has established policies and SOPs to guide daily operations and ensure consistency, compliance, and accountability. These include financial, operational, and human resource policies. Regular reviews and updates are conducted to reflect changes in regulations, business needs, and best practices.

The preparation of periodic and annual results is monitored and reviewed by the ARMC, before being tabled for approval by the Board prior to being released to regulators and stakeholders. The full-year financial statements are audited by the external auditors, reviewed by the ARMC before being tabled for approval by the Board prior to issuance.

D. Coverage and safeguarding of major assets

Sufficient insurance coverage is in place to enable major assets to be adequately covered against mishaps, calamities and theft that may result in material losses to the Group. The insurance coverage is reviewed at regular intervals to ensure its adequacy in relation to the Group's risk appetite. At the same time, physical security measures are taken to safeguard these major assets.

E. Approval of the annual internal audit plan

During the financial year under review, the risk-based internal audit plan covering identified areas was reviewed and approved by the ARMC. Follow-up review procedures were established to monitor and ensure the recommendations of internal auditors are effectively implemented.

F. Continuous Training and Development

Ongoing training programs are conducted to enhance the knowledge and skills of employees at all levels, particularly in areas of compliance with regulations. These initiatives foster a culture of continuous learning and awareness of evolving regulatory and operational requirements.

5. Internal Audit Function

The internal audit function of Northeast was outsourced to Sterling Business Alignment Consulting Sdn Bhd ("**Sterling**"), a corporate member of The Institute of Internal Auditors Malaysia ("**IIAM**"). Sterling is free from any relationships or conflicts of interest, which could impair its objectivity and independence of the internal audit function. Sterling does not have any direct operational responsibility or authority over any of the activities audited.

Functionally, the Internal Auditors report directly to the ARMC. The primary responsibility of the Internal Auditors is to assist the Board and the ARMC in reviewing and assessing management systems of internal control and procedures. The ARMC reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

Sterling adopts the Committee of Sponsoring Organisations of the Treadway Commission ("**COSO**") Internal Control Framework as the basis for evaluating the effectiveness of the Group's internal control systems.

Summary of the internal audit conducted during FYE2025 is as follows:

Reporting month	Subsidiary	Audit Coverage
February 2025	NE Technologies Sdn Bhd	Production and Production Planning
August 2025	NE Technologies Sdn Bhd	Procurement

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. Internal Audit Function (Cont'd)

The internal audit engagement by Sterling was led by Dr. So Hsien Ying who has more than 30 years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review. She has a Doctor in Business Administration (Wales), a Master's in business administration (Finance)(Hull) and BSc Economics (Hons)(London). Dr. So is also a Certified Internal Control Professional (US), a permanent member of the Internal Control Institute (US), an associate member of The Institute of Internal Auditors Malaysia ("IIAM") and a member of the Malaysian Alliance of Corporate Directors. Each audit engagement involved a team of three to four staff per visit.

For the financial year ended 30 September 2025, the total cost incurred for internal audit is RM36,500.

Review of the Statement by External Auditors

The external auditors has reviewed this Statement on Risk Management and Internal Control as required under Rule 15.23 of the AMLR. The limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information other than Audits or Reviews of Historical Financial Information and Audit Assurance Practice Guide 3 ("AAPG 3") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is factually inaccurate.

6. Conclusion

Our Board has received assurance from the Managing Director that the risk management and internal control system adopted by our Group is operating adequately and effectively, in all material aspects, based on his observations in the course of his management of our Group's daily operations. Our Board is of the view that the risk management and internal control systems are operating satisfactorily and effectively to safeguard the interest of stakeholders and assets of our Group for the financial year under review, and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the annual report of our Company. Our Board continues to take measures to review and, where necessary, enhance the risk management and internal control systems of our Group to meet the strategic objectives of our Group.

Our Board is committed to maintaining a sound internal control system and effective risk management throughout our Group and reaffirms its commitment to continuously review and where necessary, further enhance the risk management and internal control systems.

This Statement on Risk Management and Internal Control is made in accordance with a resolution passed in our Board of Directors' meeting held on 20 January 2026.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors ("**Board**") is required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") to issue a statement explaining the Board's responsibilities for preparing the annual audited financial statements.

In accordance with the Companies Act 2016 ("**Act**"), the Board is responsible for the preparation of the financial statements for the financial year to provide a true and fair view of the Group's state of affairs, financial performance and cash flows.

In preparing the financial statements for the financial year ended 30 September 2025, the Board has:

- used appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensure that all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is also accountable for ensuring proper maintenance of accounting records, which accurately reflect the financial position of the Company and Group. These records enable compliance with the Act and assist in the preparation of financial statements. Furthermore, the Board is responsible for taking reasonable steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

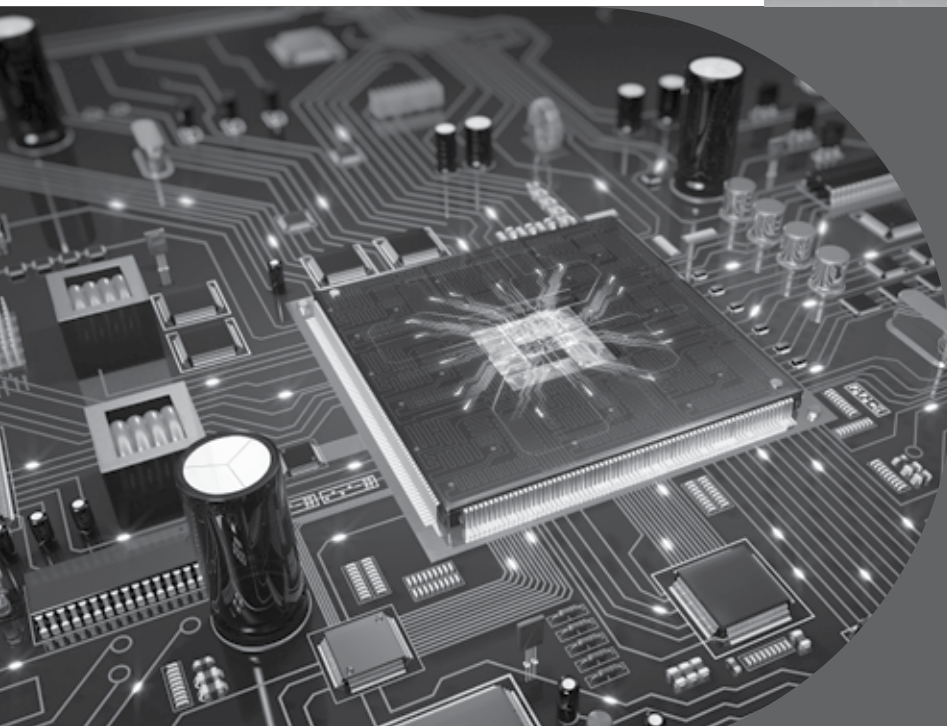
The Audit and Risk Management Committee ("**ARMC**") supports the Board in reviewing and scrutinising the accuracy, adequacy, transparency and completeness of the financial information, to ensure that it complies with applicable financial reporting standards and regulatory requirements. The Board has ensured that the Group's quarterly reports and annual audited financial statements are submitted to Bursa Securities in a timely manner, ensuring that the investing public is kept informed of the Group's performance and developments.

This statement was made in accordance with the resolution of the Board dated 20 January 2026.

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FINANCIAL STATEMENTS AND NOTES



DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is activities of holding companies.

The principle activities of the subsidiaries are mainly engaged in providing precision engineering works.

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

RESULTS

	Group RM	Company RM
Profit for the financial year	20,539,079	957,104
Attributable to:		
Owners of the Company	20,539,079	957,104

DIVIDEND

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

The Directors do not recommend any payment of dividend for the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 571,011,000 to 740,000,000 by way of issuance of 168,989,000 new ordinary shares at an issue price of RM0.50 each for cash pursuant to the initial public offering exercise.

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

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS' REPORT

DIRECTORS

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

Dato' Seri Lee Kah Choon	
Ng Chay Chin	
Chong Ewe Hean	
Dato' Faiza Binti Zulkifli	
Ong Kim Nam	
Ng Chai Hee	(Appointed on 25 November 2025)
Yin Thien Hee	(Appointed on 25 November 2025)
Ong Guat Ean	(Demised on 1 January 2026)

Subsidiaries of Northeast Group Berhad

Ng Chay Chin
Chong Ewe Hean
Ng Chai Hee
Yin Thien Hee

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company during the financial year ended 30 September 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

		Number of ordinary shares		
	Balance as at 1.10.2024	Bought	Sold	Balance as at 30.9.2025
<u>Shares in the Company</u>				
Direct interests:				
Ng Chay Chin	37,000,000	12,145,300	(7,400,000)	41,745,300
Chong Ewe Hean	29,600,000	0	(3,700,000)	25,900,000
Dato’ Seri Lee Kah Choon	0	1,300,000	0	1,300,000
Dato’ Faiza Binti Zulkifli	0	800,000	(736,000)	64,000
Ong Kim Nam	0	800,000	(200,000)	600,000
Ong Guat Ean	0	300,000	0	300,000
Indirect interests:				
Ng Chay Chin^	397,321,608	0	0	397,321,608
Chong Ewe Hean^	397,321,608	0	0	397,321,608

[^] Deemed interested through shares held by Mountain Range Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

By virtue of Ng Chay Chin and Chong Ewe Hean interests in the ordinary shares of the Company, these Directors are deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

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

DIRECTOR'S REMUNERATION

Fees and other benefits of the Directors of the Group and of the Company who have held office during the financial year ended 30 September 2025 were as follows:

	Group RM	Company RM
Directors' fees	162,000	162,000
Salaries and other emoluments	4,628,875	24,800
Contributions to defined contribution plan	555,089	0
Social security contributions	11,658	0
Employment insurance system contributions	1,331	0
Benefits-in-kind	73,363	0
	5,432,316	186,800

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for the Directors, officers and auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all know bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

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

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

(III) AS AT THE DATE OF THIS REPORT

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

SUBSIDIARIES

Details of the subsidiaries are follows:

Name of companies	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Northeast Precision Sdn. Bhd.	Malaysia	100	100	Precision engineering works
NE Components Sdn. Bhd.	Malaysia	100	100	Precision engineering works
NE Integrated Sdn. Bhd.	Malaysia	100	100	Precision engineering works
NE Technologies Sdn. Bhd.	Malaysia	100	100	Precision engineering works
NE Solutions Sdn. Bhd.	Malaysia	100	100	Precision engineering works

DIRECTORS' REPORT

ULTIMATE HOLDING COMPANY

The Directors regard Mountain Range Sdn. Bhd., a company incorporated in Malaysia as the holding and ultimate holding company.

AUDITORS

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

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

	Group RM	Company RM
Statutory audit	145,000	33,000
Other services	4,000	4,000
	149,000	37,000

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

Ng Chay Chin
Director

Chong Ewe Hean
Director

Penang
20 January 2026

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 79 to 122 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Ng Chay Chin
Director

Chong Ewe Hean
Director

Penang
20 January 2026

DIRECTORS' REPORT

STATUTORY DECLARATION

I, Ng Chay Chin, being the Director primarily responsible for the financial management of Northeast Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 79 to 122 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 above
named at Georgetown in the State of Penang this
20 January 2026

Ng Chay Chin

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NORTHEAST GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Northeast Group Berhad, which comprise the statements of financial position as at 30 September 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 a summary of material accounting policy information, as set out on pages 79 to 122.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Recoverability of trade receivables

As at 30 September 2025, the Group had trade receivables amounted to RM22,730,745, which were net of impairment losses of RM3,490,667. The details of trade receivables have been disclosed in Note 9 to the financial statements.

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

Audit response

Our audit procedures including the following:

- (a) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (b) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and
- (c) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NORTHEAST GROUP BERHAD

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NORTHEAST GROUP BERHAD

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

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

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

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

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

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

Other Matters

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

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Goh Chee Beng

03535/11/2026 J
Chartered Accountant

Penang
20 January 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	80,752,312	70,611,323	42,381	26,287
Right-of-use assets	5	19,693,337	16,094,165	0	0
Investment properties	6	5,305,266	5,344,856	0	0
Investments in subsidiaries	7	0	0	164,802,500	142,452,500
		105,750,915	92,050,344	164,844,881	142,478,787
Current assets					
Inventories	8	3,825,416	2,594,186	0	0
Trade and other receivables	9	25,059,755	19,521,046	15,716,645	0
Current tax assets		7,060,349	5,774,788	0	0
Other investments	10	54,058,916	0	43,712,552	0
Cash and bank balances	11	99,164,004	87,056,893	274,963	120,793
		189,168,440	114,946,913	59,704,160	120,793
TOTAL ASSETS		294,919,355	206,997,257	224,549,041	142,599,580
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital/invested equity	12	224,835,144	142,753,500	224,835,144	142,753,500
Reserves	13	34,273,314	13,734,235	(448,570)	(1,405,674)
TOTAL EQUITY		259,108,458	156,487,735	224,386,574	141,347,826

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
LIABILITIES					
Non-current liabilities					
Borrowings	14	11,984,197	33,576,050	0	0
Lease liabilities	5	434,606	306,193	0	0
Deferred tax liabilities	15	5,245,600	5,161,100	0	0
		17,664,403	39,043,343	0	0
Current liabilities					
Trade and other payables	16	17,325,807	7,595,846	159,067	1,251,754
Borrowings	14	655,773	1,985,013	0	0
Lease liabilities	5	161,514	1,096,920	0	0
Current tax liabilities		3,400	788,400	3,400	0
		18,146,494	11,466,179	162,467	1,251,754
TOTAL LIABILITIES		35,810,897	50,509,522	162,467	1,251,754
TOTAL EQUITY AND LIABILITIES		294,919,355	206,997,257	224,549,041	142,599,580

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	19	119,620,241	90,143,162	4,050,000	0
Cost of sales		(79,295,329)	(55,451,582)	0	0
Gross profit		40,324,912	34,691,580	4,050,000	0
Other operating income	21	8,046,743	2,572,918	1,848,379	29
Loss on impairment on trade receivables, net	9(f)	(1,704,956)	(171,117)	0	0
Distribution expenses		(3,245,129)	(2,626,641)	(66,476)	(8,459)
Administrative expenses		(16,020,564)	(13,914,124)	(4,822,738)	(1,388,028)
Finance costs	22	(827,950)	(1,488,591)	0	0
Profit/(Loss) before tax		26,573,056	19,064,025	1,009,165	(1,396,458)
Tax expense	23	(6,033,977)	(5,320,898)	(52,061)	0
Profit/(Loss) for the financial year		20,539,079	13,743,127	957,104	(1,396,458)
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income/(loss)		20,539,079	13,743,127	957,104	(1,396,458)
Profit/(Loss) attributable to the owners of the Company		20,539,079	13,743,127	957,104	(1,396,458)
Total comprehensive income/(loss) attributable to the owners of the Company		20,539,079	13,743,127	957,104	(1,396,458)
Earnings per ordinary share attributable to the owners of the Company					
Basic and diluted (sen)	24	2.80	2.41		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

Group	Note	Share capital RM	Merger reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 October 2024		142,753,500	(139,552,500)	153,286,735	156,487,735
Profit for the financial year		0	0	20,539,079	20,539,079
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	20,539,079	20,539,079
Transactions with owners:					
Issuance of ordinary shares pursuant to Initial Public Offering	12	84,494,500	0	0	84,494,500
Share issuance expenses	12	(2,412,856)	0	0	(2,412,856)
Total transactions with owners		82,081,644	0	0	82,081,644
Balance as at 30 September 2025		224,835,144	(139,552,500)	173,825,814	259,108,458

Group	Note	Share capital RM	Invested equity RM	Merger reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 October 2023	2		3,200,000	0	139,543,608	142,743,610
Profit for the financial year	0		0	0	13,743,127	13,743,127
Other comprehensive income, net of tax	0		0	0	0	0
Total comprehensive income	0		0	0	13,743,127	13,743,127
Transactions with owners:						
Issuance of ordinary shares:						
- for cash	12(b)	998	0	0	0	998
- acquisition of subsidiaries in business combinations under common control	12	142,752,500	(3,200,000)	(139,552,500)	0	0
Total transactions with owners		142,753,498	(3,200,000)	(139,552,500)	0	998
Balance as at 30 September 2024		142,753,500	0	(139,552,500)	153,286,735	156,487,735

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

Company	Note	Share capital RM	Accumulated losses RM	Total equity RM
Balance as at 1 October 2024		142,753,500	(1,405,674)	141,347,826
Profit for the financial year		0	957,104	957,104
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	957,104	957,104
Transactions with owners:				
Issuance of ordinary shares pursuant to Initial Public Offering	12	84,494,500	0	84,494,500
Share issuance expenses	12	(2,412,856)	0	(2,412,856)
Total transactions with owners		82,081,644	0	82,081,644
Balance as at 30 September 2025		224,835,144	(448,570)	224,386,574
Balance as at 1 October 2023		2	(9,216)	(9,214)
Loss for the financial year		0	(1,396,458)	(1,396,458)
Other comprehensive income, net of tax		0	0	0
Total comprehensive loss		0	(1,396,458)	(1,396,458)
Transactions with owners:				
Issuance of ordinary shares:				
- for cash	12(b)	998	0	998
- acquisition of subsidiaries in business combinations under common control	12	142,752,500	0	142,752,500
Total transactions with owners		142,753,498	0	142,753,498
Balance as at 30 September 2024		142,753,500	(1,405,674)	141,347,826

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		26,573,056	19,064,025	1,009,165	(1,396,458)
Adjustments for:					
Bad debt written off on other receivable		6,400	0	0	0
Depreciation of:					
- property, plant and equipment	4	7,193,214	6,863,313	5,142	552
- right-of-use assets	5	1,014,628	1,167,641	0	0
- investment properties	6	39,590	39,589	0	0
Fair value gain on other investments	21	(1,386,452)	0	(1,083,761)	0
Gain on disposals of:					
- property, plant and equipment	21	(223,410)	(121,995)	0	0
- right-of-use assets	21	(3,917)	0	0	0
- other investments	21	(547,914)	0	(533,627)	0
Impairment losses on:					
- trade receivables	9(f)	1,822,877	171,117	0	0
- investment in a subsidiary	7(e)	0	0	0	300,000
Interest expense	22	827,950	1,488,591	0	0
Interest income	21	(2,162,121)	(834,416)	(230,991)	(29)
Inventories written down	8(c)	42,031	71,698	0	0
Property, plant and equipment written off		24,041	0	0	0
Net cash generated from/(used in) operating activities carried forward		33,219,973	27,909,563	(834,072)	(1,095,935)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Net cash generated from/(used in) operating activities brought forward		33,219,973	27,909,563	(834,072)	(1,095,935)
Reversal of impairment loss on trade receivables	9(f)	(117,921)	0	0	0
Unrealised (gain)/loss on foreign exchange, net		(1,335,686)	2,634,795	0	0
Operating profit/(loss) before changes in working capital		31,766,366	30,544,358	(834,072)	(1,095,935)
Increase in inventories		(1,273,261)	(174,351)	0	0
Increase in trade and other receivables		(6,516,086)	(4,976,462)	(11,919)	0
Increase/(Decrease) in trade and other payables		7,463,065	(2,989,328)	(1,092,687)	1,242,538
Cash generated from/(used in) operations		31,440,084	22,404,217	(1,938,678)	146,603
Interest received		2,130,827	765,702	230,991	29
Interest paid		(781,995)	(1,360,153)	0	0
Tax refunded		66,297	0	0	0
Tax paid		(8,086,335)	(6,653,017)	(48,661)	0
Net cash from/(used in) operating activities		24,768,878	15,156,749	(1,756,348)	146,632

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to subsidiaries		0	0	(38,054,726)	0
Purchase of:					
- property, plant and equipment	4(b)	(11,840,714)	(2,916,251)	(21,236)	(26,839)
- right-of-use assets	5(g)	(7,589,841)	0	0	0
- other investments		(80,441,154)	0	(68,911,768)	0
Proceeds from disposal of:					
- property, plant and equipment		237,342	122,000	0	0
- right-of-use assets		71,000	0	0	0
- other investments		28,316,604	0	26,816,604	0
Net cash used in investing activities		(71,246,763)	(2,794,251)	(80,171,126)	(26,839)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of:					
- term loans		(22,921,093)	(1,431,729)	0	0
- lease liabilities	5(g)	(1,212,948)	(2,025,555)	0	0
Proceeds from issuance of ordinary shares	12	84,494,500	998	84,494,500	998
Share issuance expenses	12	(2,412,856)	0	(2,412,856)	0
Dividend paid		0	(2,000,000)	0	0
Net changes in deposits with licensed banks with maturity more than three (3) months		(24,216)	(21,785)	0	0
Net cash from/(used in) financing activities		57,923,387	(5,478,071)	82,081,644	998
Net increase in cash and cash equivalents		11,445,502	6,884,427	154,170	120,791
Effects of exchange rate changes on cash and cash equivalents		637,393	(1,754,922)	0	0
Cash and cash equivalents at beginning of financial year		86,217,395	81,087,890	120,793	2
Cash and cash equivalents at end of financial year	11(c)	98,300,290	86,217,395	274,963	120,793

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Group	
	Lease liabilities (Note 5) RM	Term loans (Note 14) RM
Balance as at 1 October 2023	3,300,230	27,753,792
Cash flows	(2,025,555)	7,807,271
Non-cash flow:		
- Unwinding of interest	128,438	0
Balance at 30 September 2024	1,403,113	35,561,063
Balance as at 1 October 2024	1,403,113	35,561,063
Cash flows	(1,212,948)	(22,921,093)
Non-cash flow:		
- Addition	360,000	0
- Unwinding of interest	45,955	0
Balance at 30 September 2025	596,120	12,639,970

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

1. CORPORATE INFORMATION

The Company is a public liability company, incorporated and domiciled in Malaysia.

Bursa Malaysia Securities Berhad ('BMSB'), has vide its letter dated 19 June 2024, approved the admission of the Company to the Official List and the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of BMSB. The ordinary shares of the Company were listed on the ACE Market of BMSB on 15 October 2024.

The registered office of the Company is located at Suite 12-A, Level 12 Menara Northam, No. 55 Jalan Sultan Ahmad Shah, 10050 George Town, Penang.

The principal place of business of the Company is located at No.1946, Lorong IKS Bukit Minyak 1, Taman IKS Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang.

The holding and ultimate holding company of the Company is Mountain Range Sdn. Bhd., a company incorporated in Malaysia.

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

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 20 January 2026.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is activities of holding companies.

The principle activities of the subsidiaries are mainly engaged in providing precision engineering works. Further details on the activities of the subsidiaries are set out in Note 7 to the financial statements.

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

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs and Amendments to MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 29.1 to the financial statements.

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

The preparation of financial statements in conformity with MFRSs and IFRS Accounting Standards requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Freehold buildings RM	Leasehold buildings RM	Machinery, tools and equipment RM	Renovation and electrical installation RM	Office equipment, furniture and fittings and fire alarm system RM	Motor vehicles RM	Factory equipments RM	Capital work-in-progress RM	Total RM
At cost										
Balance as at 1 October 2024	29,978,160	1,230,060	13,394,894	69,116,934	1,365,735	5,808,136	1,068,408	35,000	559,503	122,556,830
Additions	0	0	3,750,000	9,750,180	50,982	376,835	0	0	175,221	14,103,218
Disposals	0	0	0	(1,561,500)	0	0	0	0	0	(1,561,500)
Written off	0	0	0	0	0	0	(42,424)	0	0	(42,424)
Transfer from right-of-use assets (Note 5)	0	0	0	5,042,500	0	0	0	0	0	5,042,500
Balance as at 30 September 2025	29,978,160	1,230,060	17,144,894	82,348,114	1,416,717	6,184,971	1,025,984	35,000	734,724	140,098,624
Accumulated depreciation										
Balance as at 1 October 2024	0	492,022	2,795,611	43,597,583	830,396	3,278,851	934,419	16,625	0	51,945,507
Current charge	0	49,203	525,395	5,947,866	98,848	508,316	60,086	3,500	0	7,193,214
Disposals	0	0	0	(1,547,568)	0	0	0	0	0	(1,547,568)
Written off	0	0	0	0	0	0	(18,383)	0	0	(18,383)
Transfer from right-of-use assets (Note 5)	0	0	0	1,773,542	0	0	0	0	0	1,773,542
Balance as at 30 September 2025	0	541,225	3,321,006	49,771,423	929,244	3,787,167	976,122	20,125	0	59,346,312
Carrying amount										
Balance as at 30 September 2025	29,978,160	688,835	13,823,888	32,576,691	487,473	2,397,804	49,862	14,875	734,724	80,752,312

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM	Freehold buildings RM	Leasehold buildings RM	Machinery, tools and equipment RM	Renovation and electrical installation RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Factory equipments RM	Capital work-in-progress RM	Total RM
At cost										
Balance as at 1 October 2023	18,587,324	1,230,060	13,393,094	69,724,774	1,365,735	5,611,781	1,068,408	35,000	359,603	111,375,779
Additions	11,390,836	0	1,800	366,360	0	196,355	0	0	199,900	12,155,251
Disposals	0	0	0	(974,200)	0	0	0	0	0	(974,200)
Balance as at 30 September 2024	29,978,160	1,230,060	13,394,894	69,116,934	1,365,735	5,808,136	1,068,408	35,000	559,503	122,556,830
Accumulated depreciation										
Balance as at 1 October 2023	0	442,820	2,295,216	38,984,867	731,622	2,717,234	871,505	13,125	0	46,056,389
Current charge	0	49,202	500,395	5,586,911	98,774	561,617	62,914	3,500	0	6,863,313
Disposals	0	0	0	(974,195)	0	0	0	0	0	(974,195)
Balance as at 30 September 2024	0	492,022	2,795,611	43,597,583	830,396	3,278,851	934,419	16,625	0	51,945,507
Carrying amount										
Balance as at 30 September 2024	29,978,160	738,038	10,599,283	25,519,351	535,339	2,529,285	133,989	18,375	559,503	70,611,323

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Company	
	2025 RM	2024 RM
Office equipment, furniture and fittings and fire alarm system		
At cost		
Balance as at 1 October 2024/2023	26,839	0
Additions	21,236	26,839
Balance as at 30 September	48,075	26,839
Accumulated depreciation		
Balance as at 1 October 2024/2023	552	0
Current charge	5,142	552
Balance as at 30 September	5,694	552
Carrying amount		
Balance as at 30 September	42,381	26,287

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Freehold buildings	4%
Leasehold buildings	2% - 4%
Machinery, tools and equipment	10%
Renovation and electrical installation	10% - 20%
Office equipment, furniture and fittings and fire alarm system	10% - 20%
Motor vehicles	20%
Factory equipments	10%

Land and buildings shall be accounted for separately, even when they are acquired together. Freehold land has unlimited useful life and is not depreciated.

Capital work-in-progress represents buildings under construction and is not depreciated until such time when the asset is available for use.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Purchase of property, plant and equipment	14,103,218	12,155,251	21,236	26,839
Unpaid and included in other payables	(2,262,504)	0	0	0
Financed by term loans	0	(9,239,000)	0	0
Cash payments on purchase of property, plant and equipment	11,840,714	2,916,251	21,236	26,839

- (c) As at the end of the reporting period, the carrying amounts of the property, plant and equipment charged to financial institutions for banking facilities granted to the Group as disclosed in Note 14(c) to the financial statements are as follows:

	Group	
	2025 RM	2024 RM
Freehold land	28,572,378	29,978,160
Freehold building	0	738,038
Leasehold buildings	7,455,158	7,748,691
Capital work-in-progress	734,724	559,503
	36,762,260	39,024,392

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

Group	Balance as at 1.10.2024 RM	Additions RM	Disposal RM	Depreciation RM	Transfer to property, plant and equipment (Note 4) RM	Balance as at 30.9.2025 RM
Carrying amount						
Leasehold land	11,257,676	7,535,516	0	(421,552)	0	18,371,640
Motor vehicles	611,847	414,325	(67,083)	(240,559)	0	718,530
Machineries	4,224,642	0	0	(352,517)	(3,268,958)	603,167
	<u>16,094,165</u>	<u>7,949,841</u>	<u>(67,083)</u>	<u>(1,014,628)</u>	<u>(3,268,958)</u>	<u>19,693,337</u>
Group	Balance as at 1.10.2023 RM	Depreciation RM	Balance as at 30.9.2024 RM			
Carrying amount						
Leasehold land	11,632,228	(374,552)	11,257,676			
Motor vehicles	806,686	(194,839)	611,847			
Machineries	4,822,892	(598,250)	4,224,642			
	<u>17,261,806</u>	<u>(1,167,641)</u>	<u>16,094,165</u>			

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities

Group	Motor vehicles RM	Machineries RM	Total RM
Balance as at 1 October 2024	378,288	1,024,825	1,403,113
Addition	360,000	0	360,000
Lease payments	(207,026)	(1,005,922)	(1,212,948)
Interest expense	26,141	19,814	45,955
Balance as at 30 September 2025	557,403	38,717	596,120
Balance as at 1 October 2023	487,245	2,812,985	3,300,230
Lease payments	(130,176)	(1,895,379)	(2,025,555)
Interest expense	21,219	107,219	128,438
Balance as at 30 September 2024	378,288	1,024,825	1,403,113

	2025 RM	Group 2024 RM
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Represented by:

Current liabilities	161,514	1,096,920
Non-current liabilities	434,606	306,193
	596,120	1,403,113
Lease liabilities owing to financial institutions	596,120	1,403,113

- (a) The Group leases motor vehicles and machineries in which it operates. The periodic rent is fixed over the lease term.
- (b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

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

- (c) The right-of-use assets are depreciated on the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	25 years - 56 years
Motor vehicles	5 years - 9 years
Machineries	3 years

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

- (d) As at the end of the reporting period, leasehold land with carrying amount of RM18,371,640 (2024: RM11,257,676) have been charged to financial institutions for banking facilities granted to the Group as disclosed in Note 14(c) to the financial statements.
- (e) The Group has certain leases of hostel and factory equipments with lease term of twelve (12) months or less and low value leases of office equipment of RM20,000 and below. The Group applies the 'short-term lease' and 'lease of low-value assets' exemptions for these leases.
- (f) The following are the amounts recognised in profit or loss:

	Group	
	2025 RM	2024 RM
Represented by:		
Depreciation charge of right-of-use assets		
- included in cost of sales	774,069	972,802
- included in administrative expenses	240,559	194,839
Expense relating to short-term leases		
- included in administrative expenses	101,402	105,157
Expense relating to leases of low-value assets		
- included in administrative expenses	24,330	23,400
Interest expense on lease liabilities		
- included in finance costs	45,955	128,438
Gain on disposal of right-of-use assets		
- included in other operating income	(3,917)	0
	1,182,398	1,424,636

- (g) The following are total cash outflows for leases as a lessee:

	Group	
	2025 RM	2024 RM
<i>Included in net cash from/(used in) operating activities:</i>		
Payment relating to short-term leases and low-value assets	125,732	128,557
<i>Included in net cash used in investing activities:</i>		
Purchase of right-of-use assets	7,589,841	0
Proceeds from disposal of right-of-use assets	(71,000)	0
<i>Included in net cash from/(used in) financing activities:</i>		
Payment of lease liabilities	1,212,948	2,025,555
Total cash outflows for leases	8,857,521	2,154,112

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(h) Information on financial risks of lease liabilities is disclosed in Note 28 to the financial statements.

6. INVESTMENT PROPERTIES

Group	Freehold land RM	Freehold buildings RM	Total RM
At cost			
Balance as at 1 October 2024/30 September 2025	3,692,000	1,979,467	5,671,467
Accumulated depreciation			
Balance as at 1 October 2024	0	326,611	326,611
Current charge	0	39,590	39,590
Balance as at 30 September 2025	0	366,201	366,201
Carrying amount			
Balance as at 30 September 2025	3,692,000	1,613,266	5,305,266
At cost			
Balance as at 1 October 2023/30 September 2024	3,692,000	1,979,467	5,671,467
Accumulated depreciation			
Balance as at 1 October 2024	0	287,022	287,022
Current charge	0	39,589	39,589
Balance as at 30 September 2024	0	326,611	326,611
Carrying amount			
Balance as at 30 September 2024	3,692,000	1,652,856	5,344,856

- (a) Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, including transaction costs. After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and it is not depreciated.

Depreciation is calculated to write off the cost or valuation of the investment properties to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation rates for the freehold buildings are 2% per annum.

At the end of each reporting period, the carrying amount of investment properties are assessed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

- (b) Rental income generated from rental of investment properties of the Group during the financial year amounted to RM255,000 (2024: RM246,000).
- (c) Direct operating expenses from investment properties which generated rental income to the Group during the financial year amounted to RM13,311 (2024: RM12,750).

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

6. INVESTMENT PROPERTIES (CONT'D)

- (d) The fair values of the investment properties for disclosure purposes are as follows:

	Group	
	2025 RM	2024 RM
Level 3 of the fair value hierarchy	6,800,000	6,650,000

The fair values of investment properties for disclosure purposes are based on Directors' estimation by reference to market evidence of transaction prices of similar properties in the vicinity and same category. The significant unobservable input into this valuation method is adjustment factors to prices of comparable properties. The estimated fair value would increase if the transaction prices were higher and vice versa.

There is no transfer between levels in the fair value hierarchy during the financial year.

- (e) The investment properties of the Group are mainly used to generate rental income. However, the fair value of the investment properties reflects the highest and best use of the said properties should the investment properties be disposed. Currently, management does not intend to dispose off the investment properties and the existing use of the investment properties remains for rental purposes.
- (f) As at the end of the reporting period, the investment properties with carrying amount of RM5,305,266 (2024: RM5,344,856) have been charged to financial institutions for banking facilities granted to the Group as disclosed in Note 14(c) to the financial statements.
- (g) The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2025 RM	2024 RM
Less than one (1) year	260,000	217,500
One (1) to two (2) years	150,000	110,000
Two (2) to three (3) years	112,500	0
	522,500	327,500

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost:		
- ordinary shares	142,752,500	142,752,500
- redeemable preference shares ('RPS')	22,350,000	0
	165,102,500	142,752,500
Less: Impairment losses	(300,000)	(300,000)
	164,802,500	142,452,500

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less any impairment losses.
- (b) Details of the subsidiaries, all of which are incorporated and having the principal place of business in Malaysia are as follows:

Name of companies	Effective interest in equity		Principal activities
	2025 %	2024 %	
Northeast Precision Sdn. Bhd. ('NEP')	100	100	Precision engineering works
NE Components Sdn. Bhd. ('NEC')	100	100	Precision engineering works
NE Integrated Sdn. Bhd. ('NEI')	100	100	Precision engineering works
NE Technologies Sdn. Bhd. ('NET')	100	100	Precision engineering works
NE Solutions Sdn. Bhd. ('NES')	100	100	Precision engineering works

All subsidiaries are audited by BDO PLT, Malaysia.

- (c) Additional investments in subsidiaries during the financial year ended 30 September 2025 are as follows:
- The Company acquired 45,000 RPS at RM150 each in NEP, by way of capitalisation of amount owing to the Company amounted to RM6,750,000.
 - The Company acquired 30,000 RPS at RM300 each in NEC, by way of capitalisation of amount owing to the Company amounted to RM9,000,000.
 - The Company acquired 60,000 RPS at RM90 each in NEI, by way of capitalisation of amount owing to the Company amounted to RM5,400,000.
 - The Company acquired 3,000 RPS at RM400 each in NET, by way of capitalisation of amount owing to the Company amounted to RM1,200,000.

There are no changes to the percentage of shareholding of the Company on all subsidiaries arising from these additional investments.

- (d) Acquisitions in the previous financial year are as follows:
- The Company acquired the entire issued share capital of NEP comprising of 1,500,000 ordinary shares from the vendors for a purchase consideration of RM73,929,300 which was satisfied via the issuance of 295,717,200 new ordinary shares to the vendors at an issue price of RM0.25 per share and completed on 5 January 2024.
 - The Company acquired the entire issued share capital of NEC comprising of 500,000 ordinary shares from the vendors for a purchase consideration of RM31,630,700 which was satisfied via the issuance of 126,522,800 new ordinary shares to the vendors at an issue price of RM0.25 per share and completed on 5 January 2024.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (d) Acquisitions in the previous financial year are as follows: (Cont'd)
- (iii) The Company acquired the entire issued share capital of NEI comprising of 1,000,000 ordinary shares from the vendors for a purchase consideration of RM19,602,900 which was satisfied via the issuance of 78,411,600 new ordinary shares to the vendors at an issue price of RM0.25 per share and completed on 5 January 2024.
 - (iv) The Company acquired the entire issued share capital of NET comprising of 150,000 ordinary shares from the vendors for a purchase consideration of RM15,121,500 which was satisfied via the issuance of 60,486,000 new ordinary shares to the vendors at an issue price of RM0.25 per share and completed on 5 January 2024.
 - (v) The Company acquired the entire issued share capital of NES comprising of 50,000 ordinary shares from the vendors for a purchase consideration of RM2,468,100 which was satisfied via the issuance of 9,872,400 new ordinary shares to the vendors at an issue price of RM0.25 per share and completed on 5 January 2024.
- (e) In the previous financial year, the Company carried out a review of recoverable amount of its investment in subsidiaries. Impairment losses of RM300,000 was recognised due to decline in operation of the subsidiary of the Company.

8. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost		
Raw materials	1,103,386	708,530
Work-in-progress	1,951,090	465,602
Finished goods	770,940	1,420,054
	3,825,416	2,594,186

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost is determined using first-in first-out basis. The cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress includes direct labour and attributable overheads.
- (c) During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM79,253,298 (2024: RM55,379,884). The Group has also written down inventories by RM42,031 (2024: RM71,698) to their net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

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9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables				
Third parties	26,221,412	17,079,307	0	0
Less: Impairment losses	(3,490,667)	(1,785,711)	0	0
	22,730,745	15,293,596	0	0
Other receivables				
Third parties	867,439	363,711	0	0
Amounts owing by subsidiaries	0	0	15,704,726	0
Deposits	775,198	3,637,002	0	0
	1,642,637	4,000,713	15,704,726	0
Total receivables	24,373,382	19,294,309	15,704,726	0
Prepayments	686,373	226,737	11,919	0
Total trade and other receivables	25,059,755	19,521,046	15,716,645	0

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 14 days to 120 days (2024: 30 days to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) The non-trade portion of amounts owing by subsidiaries are unsecured, interest-free and payable within the next twelve (12) months.
- (d) The currency exposure profile of total receivables excluding prepayments of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	9,128,737	7,334,729	15,704,726	0
United States Dollar	10,878,224	8,946,055	0	0
Euro Dollar	4,235,651	2,199,564	0	0
British Pound	114,557	500,291	0	0
Singapore Dollar	5,313	50,534	0	0
Japanese Yen	10,900	46,045	0	0
Chinese Yuan	0	217,091	0	0
	24,373,382	19,294,309	15,704,726	0

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

9. TRADE AND OTHER RECEIVABLES (CONT'D)

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

The Group uses an allowance matrix to measure the ECL of trade receivables from past due ageing. Expected loss rates are determined by the probability of the non-collection from the trade receivables multiplied by the amount of the expected loss arising from default. Trade receivables have been grouped based on shared credit risk characteristics – the days past due.

During the process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (consumer price index and gross domestic product index) affecting the ability of the customers to settle the receivables and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Lifetime expected loss provision for trade receivables of the Group are as follows:

Group	Gross carrying amount RM	Impairment RM	Net carrying amount RM
30 September 2025			
Current	15,279,587	214,398	15,065,189
1 to 30 days past due	4,925,022	230,757	4,694,265
31 to 60 days past due	2,357,449	239,062	2,118,387
61 to 90 days past due	654,045	255,250	398,795
More than 90 days past due	1,681,856	1,227,747	454,109
Credit impaired - individually impaired	1,323,453	1,323,453	0
	26,221,412	3,490,667	22,730,745
30 September 2024			
Current	9,548,408	52,702	9,495,706
1 to 30 days past due	4,434,138	55,615	4,378,523
31 to 60 days past due	977,143	49,211	927,932
61 to 90 days past due	267,423	49,160	218,263
More than 90 days past due	528,742	255,570	273,172
Credit impaired - individually impaired	1,323,453	1,323,453	0
	17,079,307	1,785,711	15,293,596

Trade receivables of the Group are not secured by any collateral or credit enhancement.

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

NOTES TO THE FINANCIAL STATEMENTS

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9. TRADE AND OTHER RECEIVABLES (CONT'D)

- (f) Movements in the lifetime ECL for trade receivables are as follows:

Group	Not credit impaired RM	Credit impaired RM	Total RM
Balance as at 1 October 2024	462,258	1,323,453	1,785,711
Charge for the financial year	1,822,877	0	1,822,877
Reversal of impairment loss	(117,921)	0	(117,921)
Balance as at 30 September 2025	2,167,214	1,323,453	3,490,667
Balance as at 1 October 2023	291,141	1,323,453	1,614,594
Charge for the financial year	171,117	0	171,117
Balance as at 30 September 2024	462,258	1,323,453	1,785,711

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

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

The Group defined significant increase in credit risk based on changes to contractual terms and delay in payment from other receivables.

No expected credit loss is recognised arising from other receivables as it is negligible.

- (h) In the previous financial year, an amount of RM3,210,078 included in deposits were related to prepaid listing expenses.
- (i) Information on financial risks of trade and other receivables is disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

10. OTHER INVESTMENTS [2025 ONLY]

	Group RM	Company RM
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Financial assets at fair value through profit or loss:

Fixed income trust fund in Malaysia	54,058,916	43,712,552
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- (a) Other investment classified as financial assets at fair value through profit or loss are measured at fair value.
- (b) Other investments are denominated in Ringgit Malaysia.
- (c) Fixed income trust fund of the Group and of the Company are categorised as Level 1 in the fair value hierarchy. Fair value of fixed income trust fund is determined by reference to closing price in an active market at the end of the reporting period.
- (d) There were no transfer between levels in the fair value hierarchy during the financial year.

11. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	45,375,694	35,102,814	274,963	120,793
Deposits with licensed banks	53,788,310	51,954,079	0	0
	99,164,004	87,056,893	274,963	120,793

- (a) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	68,718,205	68,826,356	274,963	120,793
United States Dollar	17,033,063	12,089,758	0	0
British Pound	6,932,577	5,234,732	0	0
Euro Dollar	6,257,219	902,653	0	0
Chinese Yuan	222,940	3,394	0	0
	99,164,004	87,056,893	274,963	120,793

- (b) The effective interest rate of deposits with licensed banks of the Group ranged from 2.15% to 3.15% (2024: 2.55% to 3.70%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

11. CASH AND BANK BALANCES (CONT'D)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	45,375,694	35,102,814	274,963	120,793
Deposits with licensed banks	53,788,310	51,954,079	0	0
As per statements of financial position	99,164,004	87,056,893	274,963	120,793
Less: Deposits with licensed banks with maturity more than three (3) months	(863,714)	(839,498)	0	0
As per statements of cash flows	98,300,290	86,217,395	274,963	120,793

- (d) No ECL is recognised arising from cash and bank balances because the probability of default of these financial institutions is negligible.
- (e) Information on financial risks of cash and bank balances is disclosed in Note 28 to the financial statements.

12. SHARE CAPITAL/INVESTED EQUITY

Share capital

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

Issued and fully paid with no par value:

Balance as at 1 October 2024/2023	571,011,000	142,753,500	2	2
Issuance of ordinary shares:				
- for cash	0	0	998	998
- acquisition of subsidiaries in business combinations under common control	0	0	571,010,000	142,752,500
- initial public offering	168,989,000	84,494,500		
Share issuance expenses	0	(2,412,856)	0	0
Balance as at 30 September	740,000,000	224,835,144	571,011,000	142,753,500

NOTES TO THE FINANCIAL STATEMENTS

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12. SHARE CAPITAL/INVESTED EQUITY (CONT'D)

Invested equity

	Group	
	Number of ordinary shares	Amount RM
Issued and fully paid with no par value:		
Balance as at 1 October 2023	3,200,000	3,200,000
Elimination of issued and paid-up ordinary share capital of the subsidiaries as an effect of business combination under common control	(3,200,000)	(3,200,000)
Balance as at 30 September 2024	0	0

- (a) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 571,011,000 to 740,000,000 by way of issuance of 168,989,000 new ordinary shares at an issue price of RM0.50 each for cash pursuant to the initial public offering exercise.

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

- (b) In the previous financial year, the issued and fully paid-up ordinary share capital of the Company was increased from RM2 to RM142,753,500 by way of issuance of 571,010,998 new ordinary shares by way of the following:
- (i) the issuance of 998 new ordinary shares at RM1 each for cash totalled RM998; and
 - (ii) issuance of 571,010,000 new ordinary shares at an issue price of RM0.25 per share pursuant to the acquisition of subsidiaries as disclosed in Note 7(d) to the financial statements.
- (c) The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

13. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:				
Merger reserve	(139,552,500)	(139,552,500)	0	0
Distributable:				
Retained earnings/(Accumulated losses)	173,825,814	153,286,735	(448,570)	(1,405,674)
	34,273,314	13,734,235	(448,570)	(1,405,674)

Merger reserve

The merger reserve arose as a result of the difference between consideration paid over the share capital of Northeast Precision Sdn. Bhd., NE Components Sdn. Bhd., NE Integrated Sdn. Bhd., NE Technologies Sdn. Bhd. and NE Solutions Sdn. Bhd. pursuant to business combinations under common control.

NOTES TO THE FINANCIAL STATEMENTS

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14. BORROWINGS

	Group	
	2025 RM	2024 RM
Current liabilities		
<i>Secured</i>		
Term loans	<u>655,773</u>	<u>1,985,013</u>
Non-current liabilities		
<i>Secured</i>		
Term loans	<u>11,984,197</u>	<u>33,576,050</u>
Total borrowings		
<i>Secured</i>		
Term loans	<u>12,639,970</u>	<u>35,561,063</u>

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) All borrowings are denominated in Ringgit Malaysia.
- (c) Borrowings of the Group are secured by way of:
- (i) First legal charge over the properties of the Group as disclosed in Note 4(c), Note 5(d) and Note 6(f) to the financial statements;
 - (ii) Joint and several guarantee by certain Directors of the Group; and
 - (iii) A corporate guarantee by the Company.
- (d) Information on financial risks of borrowings and their maturity is disclosed in Note 28 to the financial statements.

15. DEFERRED TAX LIABILITIES

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

	Group	
	2025 RM	2024 RM
Balance as at 1 October 2024/2023	5,161,100	5,634,800
Recognised in profit or loss (Note 23)	<u>84,500</u>	<u>(473,700)</u>
Balance as at 30 September	<u>5,245,600</u>	<u>5,161,100</u>
Subject to income tax:		
Property, plant and equipment	<u>5,245,600</u>	<u>5,161,100</u>

NOTES TO THE FINANCIAL STATEMENTS

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15. DEFERRED TAX LIABILITIES (CONT'D)

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

	Group	
	2025 RM	2024 RM
Balance as at 1 October 2024/2023	5,161,100	5,634,800
Recognised in profit or loss (Note 23)		
- relating to origination and reversal of temporary differences	188,900	89,700
- overprovision in prior years	(104,400)	(563,400)
Balance as at 30 September	5,245,600	5,161,100

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

	Group and Company	
	2025 RM	2024 RM
Property, plant and equipment	16,430	11,287

Deferred tax assets of the Group and of the Company had not been recognised in respect of these items as it was not probable that taxable profits of the Group and of the Company would be available against which the deductible temporary differences can be utilised.

The amount and availability of these items to be carried forward up to the period as disclosed above are subject to the agreement of the local tax authority. Unutilised tax losses of the Group and of the Company incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	8,556,183	3,385,719	0	0
Other payables				
Third parties	2,904,295	802,647	13,469	343,505
Amounts owing to subsidiaries	0	0	0	814,039
Accruals	5,536,019	3,086,370	145,598	94,210
Deposit received	329,310	321,110	0	0
	8,769,624	4,210,127	159,067	1,251,754
	17,325,807	7,595,846	159,067	1,251,754

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

16. TRADE AND OTHER PAYABLES (CONT'D)

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 90 days (2024: 30 days to 90 days).
- (c) In the previous financial year, non-trade portion of amounts owing to subsidiaries were unsecured, interest-free and payable within the next twelve (12) months.
- (d) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	17,211,389	7,318,041	159,067	1,251,754
United States Dollar	113,223	247,708	0	0
Euro Dollar	1,135	0	0	0
British Pound	60	30,097	0	0
	17,325,807	7,595,846	159,067	1,251,754

- (e) Information on financial risks of trade and other payables is disclosed in Note 28 to the financial statements.

17. FINANCIAL GUARANTEE CONTRACTS [2025 ONLY]

	Company RM
<i>Unsecured</i>	
Financial guarantee given to financial institutions for credit facilities granted to a subsidiary:	
- Limit of guarantee	14,494,000
- Amount utilised	12,639,970

- (a) The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the secured loan of a subsidiary amounts to RM12,639,970 (2024: RM Nil) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.
- (b) Financial guarantee contracts are initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation, where appropriate.
- (c) The fair values of the financial guarantees have not been recognised on initial recognition as it is negligible. As at the end of each reporting period, there was no indication that the subsidiary would default in payment.
- (d) Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted obligations is repayable upon any default by the subsidiary.
- (e) Information of financial risk of financial guarantee contracts are disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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18. CAPITAL COMMITMENTS

	Group	
	2025 RM	2024 RM
Capital expenditure in respect of purchase of property, plant and equipment		
- approved but not contracted for	40,162,500	62,778,000
- contracted for but not provided for	6,950,152	1,584,900
	<u>47,112,652</u>	<u>64,362,900</u>

19. REVENUE

	Group	
	2025 RM	2024 RM

Revenue from contracts with customers

Recognised at point in time:

Sale of goods	<u>119,620,241</u>	<u>90,143,162</u>
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	Company	
	2025 RM	2024 RM

Other revenue

Dividend income	<u>4,050,000</u>	<u>0</u>
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- (a) Disaggregation of revenue of the Group by geographical market is disclosed in Note 26(a) to the financial statements.

- (b) Sale of goods

Revenue from sale of goods is recognised at a point in time when the Group satisfies a performance obligation by transferring a promised goods 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.

There is no right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the credit terms not exceeding twelve (12) months.

- (c) Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

20. EMPLOYEE BENEFITS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fees	162,000	114,751	162,000	114,751
Wages, salaries, overtime and bonuses	24,860,555	20,087,147	24,800	11,267
Contributions to defined contribution plan	1,579,440	1,256,389	0	0
Social security contributions	326,187	238,705	0	0
Employment insurance system contributions	14,120	12,117	0	0
	26,942,302	21,709,109	186,800	126,018

- (a) Included in the employee benefits of the Group are Directors' remuneration amounting to RM5,358,953 (2024: RM3,496,316).
- (b) Estimated monetary value of benefits-in-kind provided to the Executive Directors of the Group is RM73,363 (2024: Nil).

21. OTHER OPERATING INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Scrap sales	2,081,232	1,370,507	0	0
Rental received from investment properties	255,000	246,000	0	0
Interest income	2,162,121	834,416	230,991	29
Gain on disposal of:				
- property, plant and equipment	223,410	121,995	0	0
- right-of-use assets	3,917	0	0	0
- other investments	547,914	0	533,627	0
Gain on foreign exchange:				
- realised	11	0	0	0
- unrealised	1,335,686	0	0	0
Fair value gain on other investments	1,386,452	0	1,083,761	0
Others	51,000	0	0	0
	8,046,743	2,572,918	1,848,379	29

- (a) Interest income

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

- (b) Rental income

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

22. FINANCE COSTS

	Group	
	2025 RM	2024 RM
Interest expense on:		
- bank guarantee	12,277	11,730
- lease liabilities	45,955	128,438
- term loans	769,718	1,348,423
	827,950	1,488,591

23. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
The major components of the tax expense are:				
Current tax expense based on profit for the financial year	6,054,677	5,605,500	52,054	0
(Over)/Underprovision of tax expense in prior years	(105,200)	189,098	7	0
	5,949,477	5,794,598	52,061	0
Deferred tax expense (Note 15):				
- relating to origination and reversal of temporary differences	188,900	89,700	0	0
- overprovision in prior years	(104,400)	(563,400)	0	0
	84,500	(473,700)	0	0
Total tax expense	6,033,977	5,320,898	52,061	0

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

23. TAX EXPENSE (CONT'D)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before tax	26,573,056	19,064,025	1,009,165	(1,396,458)
Tax at the applicable tax rate of 24% (2024: 24%)	6,377,500	4,575,400	242,200	(335,200)
Tax effects of:				
- expenses not deductible for tax purposes	2,140,280	1,602,722	780,620	230,400
- income not subject to tax	(877,300)	(104,300)	(972,000)	0
- different tax rate for first RM600,000 of chargeable income	0	(180,000)	0	0
- utilisation of reinvestment allowance	(1,398,137)	(303,422)	0	0
Deferred tax assets not recognised during the year	1,234	104,800	1,234	104,800
(Over)/Underprovision of tax expense in prior years	(105,200)	189,098	7	0
Overprovision of deferred tax in prior years	(104,400)	(563,400)	0	0
Tax expense for the financial year	6,033,977	5,320,898	52,061	0

24. EARNINGS PER ORDINARY SHARE

- (a) Basic

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

	Group	
	2025 RM	2024 RM
Profit attributable to the owners of the Company (RM)	20,539,079	13,743,127
Weighted average number of ordinary shares outstanding during the financial year (unit)	733,055,246	571,011,000
Basic earnings per ordinary share (sen)	2.80	2.41

- (b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as the Group does not have any potential dilutive ordinary shares in issue during and at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

25. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

Related parties of the Group include:

- (i) Ultimate holding company, Mountain Range Sdn. Bhd.;
- (ii) Direct subsidiaries as disclosed in Note 7 to the financial statements;
- (iii) Companies in which Directors of the Group have significant financial and controlling interests; and
- (iv) Key management personnel, which is defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Directors and the key senior management of the Group and of the Company.

(b) Compensation of key management personnel

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fees	162,000	114,751	162,000	114,751
Salaries and other emoluments	4,926,325	4,237,376	24,800	11,267
Contributions to defined contribution plan	590,783	509,505	0	0
Social security contributions	13,533	13,410	0	0
Employment insurance system contributions	1,546	1,532	0	0
	5,694,187	4,876,574	186,800	126,018

Estimated monetary value of benefits-in-kind provided to the Executive Directors of the Group is RM73,363 (2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

26. OPERATING SEGMENTS

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely precision engineering works.

No segment information is presented as the Directors view the Group as a single reportable segment.

(a) Geographical information

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated.

All the assets and liabilities of the Group are derived from Malaysia. Hence, no additional disclosure is made on geographical breakdown/details of the segment assets and liabilities of the Group.

Revenue information based on geographical location of customers is as follows:

	Group	
	2025 RM	2024 RM
Revenue from external customers:		
Malaysia	36,255,513	26,166,873
North America	40,457,159	25,769,959
Europe	24,285,376	23,378,867
Other Asian countries	17,914,577	14,424,199
Oceania	670,419	236,483
South America	37,197	166,781
	119,620,241	90,143,162

(b) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group.

	Group	
	2025 RM	2024 RM
Customer A group of companies	33,440,640	19,850,281
Customer B group of companies	*	9,633,113
	33,440,640	29,483,394

* Less than 10%

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

27. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as going concern whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged throughout the reporting periods.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes throughout the reporting periods.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings and lease liabilities, less cash and bank balances. Capital represents equity attributable to the owners of the Company. A detailed calculation is shown below:

			Group
	Note	2025 RM	2024 RM
Borrowings	14	12,639,970	35,561,063
Lease liabilities	5	596,120	1,403,113
Less: Cash and bank balances	11	(99,164,004)	(87,056,893)
Net cash		(85,927,914)	(50,092,717)
Total capital		259,108,458	156,487,735
Net cash		(85,927,914)	(50,092,717)
Total capital plus net cash		173,180,544	106,395,018
Gearing ratio		*	*

* Gearing ratio is not presented as the Group is in net cash position.

As at the end of the reporting period, the Company did not have any borrowings. As such, no gearing ratio has been presented.

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital of the Group. The Company has complied with this requirement for the financial year ended 30 September 2025.

(b) Methods and assumptions used to estimate fair value

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

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

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

The carrying amount of the non-current position of borrowings is reasonable approximation of fair value due to the insignificant impact of discounting.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

27. FINANCIAL INSTRUMENTS (CONT'D)

- (b) Methods and assumptions used to estimate fair value (Cont'd)

Other investments

The fair values of fixed income trust fund is determined by reference to the counter parties' quotes at the close of business at the end of the reporting period.

- (c) Fair value hierarchy

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

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

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from the unpredictability of the financial markets.

The Group and the Company are exposed mainly to credit risk, liquidity and cash flow risk, foreign currency risk and interest rate risk. Information on the management of the related exposures is detailed below:

- (i) Credit risk

Deposits with licensed banks and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are creditworthy debtors with good payment records with the Group. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit. The credit period is generally for a period of fourteen (14) days extending up to one hundred twenty (120) days for major customers. Nevertheless, the management of the Group may give longer credit terms by discretion. The Group consistently monitors its outstanding trade receivables to minimise credit risk.

In respect of the cash and bank balances placed with major financial institutions, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

Receivables and other financial assets

At the end of the reporting period, the maximum exposure of the Group and of the Company to credit risk is substantially represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Credit risk (Cont'd)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profile of its trade receivable on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

	Group			
	2025		2024	
	RM	% of total	RM	% of total
By geographical location				
Malaysia	9,307,701	41%	5,427,875	35%
Other Asian countries	3,116,030	14%	2,949,746	19%
North America	4,040,480	18%	1,971,201	13%
Europe	6,010,447	26%	4,889,219	32%
Oceania	256,087	1%	55,555	1%
	22,730,745	100%	15,293,596	100%

At the end of the reporting period, approximately:

- 35% (2024: 13%) of the trade receivables of the Group were due from three (3) (2024: one (1)) major customers.
- 100% (2024: Nil) of the other receivables of the Company were due from subsidiaries.

(ii) Liquidity and cash flow risk

The exposure of the Group to liquidity and cash flow risk arises primarily from mismatches of maturities of financial assets and financial liabilities.

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

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Liquidity and cash flow risk (Cont'd)

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

	On demand or within one (1) year RM	One (1) to five (5) years RM	More than five (5) years RM	Total RM
Group				
30 September 2025				
Trade and other payables	17,325,807	0	0	17,325,807
Lease liabilities	188,744	324,720	157,274	670,738
Borrowings	1,204,452	4,817,808	11,085,297	17,107,557
Total undiscounted financial liabilities	18,719,003	5,142,528	11,242,571	35,104,102
30 September 2024				
Trade and other payables	7,595,846	0	0	7,595,846
Lease liabilities	1,170,662	322,978	0	1,493,640
Borrowings	3,570,661	14,282,643	29,865,804	47,719,108
Total undiscounted financial liabilities	12,337,169	14,605,621	29,865,804	56,808,594
Company				
30 September 2025				
Other payables	159,067	0	0	159,067
Financial guarantee contracts	12,639,970	0	0	12,639,970
Total undiscounted financial liabilities	12,799,037	0	0	12,799,037
30 September 2024				
Other payables	1,251,754	0	0	1,251,754
Total undiscounted financial liabilities	1,251,754	0	0	1,251,754

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Foreign currency risk

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

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the entities within the Group. The currency giving rise to this risk is primarily in United States Dollar ('USD'), Euro ('EUR') and British Pound ('GBP').

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the USD, EUR and GBP exchange rate against the respective functional currency of the Group, with all other variables held constant:

	Group	
	Effect on profit after tax	
	2025 RM	2024 RM
USD/RM		
- strengthen by 5% (2024: 5%)	1,056,326	789,948
- weaken by 5% (2024: 5%)	(1,056,326)	(789,948)
EUR/RM		
- strengthen by 5% (2024: 5%)	398,686	117,884
- weaken by 5% (2024: 5%)	(398,686)	(117,884)
GBP/RM		
- strengthen by 5% (2024: 5%)	267,789	216,787
- weaken by 5% (2024: 5%)	(267,789)	(216,787)

Sensitivity analysis of other foreign currencies are not disclosed as it is not material to the Group and the Company.

The effect on equity of the Group and of the Company is not presented as it is not affected by the changes in foreign currency exchange rate.

(iv) Interest rate risk

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

The Group's interest rate risk arises primarily from interest-bearing deposits and interest-bearing borrowings from financial institutions. The Group borrows at floating rate of interest to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

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

	Group	
	Effect on profit after tax	
	2025 RM	2024 RM
- Increase by 0.5% (2024: 0.5%)	48,032	135,133
- Decrease by 0.5% (2024: 0.5%)	(48,032)	(135,133)

Sensitivity analysis for fixed rate deposits with licensed banks at the end of the reporting period is not presented as it is not affected by changes in interest rates.

The effect on the equity of the Group is not presented as it is not affected by the changes in interest rate.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rate ('WAEIR') and weighted average incremental borrowing rate ('WABR') as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk:

Group	Note	WAEIR/ WABR*	%	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to three (3) years RM	Three (3) to four (4) years RM	Four (4) to five (5) years RM	More than five (5) years RM	Total RM
30 September 2025										
Fixed rates										
Deposits with licensed banks	11	3.35		53,788,310	0	0	0	0	0	53,788,310
Lease liabilities	5	3.32*		(161,514)	(128,442)	(77,370)	(39,477)	(41,061)	(148,256)	(596,120)
Floating rates										
Term loans	14	4.77		(655,773)	(685,534)	(716,647)	(749,172)	(783,173)	(9,049,671)	(12,639,970)
30 September 2024										
Fixed rates										
Deposits with licensed banks	11	3.53		51,954,079	0	0	0	0	0	51,954,079
Lease liabilities	5	5.26*		(1,096,920)	(163,369)	(103,349)	(39,475)	0	0	(1,403,113)
Floating rates										
Term loans	14	4.81		(1,985,013)	(2,078,869)	(2,177,288)	(2,280,499)	(2,388,743)	(24,650,651)	(35,561,063)

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2025

29. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

29.1 New MFRSs adopted during the financial year

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

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

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

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

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

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

30. STATUTORY DISCLOSURE

Pursuant to Section 249(4)(e) of Companies Act 2016, details of auditors' remuneration payable by the Group and the Company during the financial year were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Statutory audit	145,000	116,000	33,000	26,000
Non-audit related services	4,000	2,500	4,000	2,500
	149,000	118,500	37,000	28,500

SHAREHOLDINGS STATISTIC

AS AT 31 DECEMBER 2025

Number of ordinary shares in issued	:	740,000,000
Class of Equity Securities	:	Ordinary shares
Voting Rights	:	One vote per share

LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Name	Direct	%	Indirect	%
Mountain Range Sdn. Bhd.	397,321,608	53.69	-	-
Ng Chay Chin	41,745,300	5.64	397,321,608*	53.69
Chong Ewe Hean	25,900,000	3.50	397,321,608*	53.69

Note:

* Deemed interest by virtue of Section 8(4) of the Companies Act 2016 ("Act")

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

Name	Direct	%	Indirect	%
Dato' Seri Lee Kah Choon	1,300,000	0.18	-	-
Ng Chay Chin	41,745,300	5.64	397,321,608*	53.69
Chong Ewe Hean	25,900,000	3.50	397,321,608*	53.69
Ng Chai Hee	8,800,000	1.20	-	-
Yin Thien Hee	5,800,000	0.78	-	-
Dato' Faiza Binti Zulkifli	50,000	0.01	-	-
Ong Kim Nam	450,000	0.06	-	-
Ong Guat Ean	300,000	0.04	-	-

Note:

* Deemed interest by virtue of Section 8(4) of the Act

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS

No. of Holders	Size of Holdings	Total Holdings	%
5	less than 100 shares	99	0.00
345	100 to 1,000 shares	156,300	0.02
847	1,001 to 10,000 shares	4,587,801	0.62
502	10,001 to 100,000 shares	18,406,100	2.49
198	100,001 to less than 5% of issued shares	277,782,792	37.54
2	5% and above of issued shares	439,066,908	59.33
1,899		740,000,000	100.00

SHAREHOLDINGS STATISTIC

AS AT 31 DECEMBER 2025

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

Names	No. of Shares Held	%
1. Mountain Range Sdn. Bhd.	397,321,608	53.69
2. Ng Chay Chin	41,745,300	5.64
3. Chong Ewe Hean	25,900,000	3.50
4. Tang Ah Lek	24,220,000	3.27
5. Citigroup Nominees (Asing) Sdn. Bhd. Exempt An For Citibank New York (Norges Bank 22)	20,500,000	2.77
6. Ng Meng Hang	10,216,000	1.38
7. Huang, Honghui	9,409,392	1.27
8. Ng Chai Hee	8,880,000	1.20
9. HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd. For Manulife Investment Al-Fauzan (5170)	7,255,000	0.98
10. Yeoh Yew Choo	7,100,000	0.96
11. Yin Thien Hee	5,800,000	0.78
12. DB (Malaysia) Nominees (Tempatan) Sendirian Berhad Exempt An For Aham Asset Management Berhad (TSTAC/CLNTT)	5,483,500	0.74
13. Goh Chuan Kong	5,000,000	0.68
14. DB (Malaysia) Nominees (Tempatan) Sendirian Berhad Exempt An For Kumpulan Sentiasa Cemerlang Sdn. Bhd. (TSTAC/CLNTT)	4,885,000	0.66
15. Maybank Nominees (Tempatan) Sdn. Bhd. Mtrustees Berhad For Ethereal Capital Sdn. Bhd. (Growth Fund) (445788)	4,751,000	0.64
16. HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd. For Manulife Investment Progress Fund (4082)	4,502,100	0.61
17. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Yat Kiang (MY1469)	3,968,700	0.54
18. HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd. For Manulife Investment Al-Faid (4389)	3,640,300	0.49
19. HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd. For Manulife Investment Shariah Progress Plus Fund	3,429,400	0.46
20. CIMB Islamic Nominees (Tempatan) Sdn. Bhd. CIMB Islamic Trustee Berhad – Kenanga Syariah Growth Fund	3,202,100	0.43
21. HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd. For Aham Select Asia (Ex Japan) Quantumfund	3,000,000	0.41
22. HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd. For Manulife Insurance Berhad (Managed Fund)	2,864,400	0.39
23. Amanahraya Trustees Berhad Aham Aiiman Quantum Fund	2,862,900	0.39
24. HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd. For Manulife Flexi Invest Fund	2,843,600	0.38
25. Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad For KAF Islamic Dividend Income Fund (290411)	2,692,800	0.36
26. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Chee Kuan (MY3341)	2,412,800	0.33
27. Cartaban Nominees (Asing) Sdn. Bhd. Exempt An For Barclays Capital Securities Ltd. (SBL/PB)	2,268,800	0.31
28. Amanahraya Trustees Berhad Aham Growth Fund	2,243,600	0.30
29. Teoh Lay Hong	2,050,000	0.28
30. Kenanga Nominees (Tempatan) Sdn. Bhd. One IFC Hotel Sdn. Bhd.	1,972,000	0.27

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 3rd Annual General Meeting ("AGM") of **NORTHEAST GROUP BERHAD** ("Company") will be held at **Iconic 1, Level 7, Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang** on Tuesday, 24 February 2026 at 10.30 a.m. or at any adjournment thereof, for the following purposes: -

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 September 2025 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Executive Director and Independent Non-Executive Director who retire in accordance with Article 88 of the Company's Constitution, and being eligible has offered themselves for re-election: -
 - 2.1 Mr. Chong Ewe Hean (Resolution 1)
 - 2.2 Dato' Seri Lee Kah Choon (Resolution 2)
3. To re-elect the following Executive Directors who retire in accordance with Article 95 of the Company's Constitution, and being eligible has offered themselves for re-election: -
 - 3.1 Mr. Yin Thien Hee (Resolution 3)
 - 3.2 Mr. Ng Chai Hee (Resolution 4)
4. To approve the payment of Directors' Fees amounting to RM198,500 for the financial year ending 30 September 2026. (Resolution 5)
5. To approve the payment of Directors' Other Benefits of up to RM26,600 from 24 February 2026 to the next AGM of the Company. (Resolution 6)
6. To re-appoint Messrs BDO PLT, the retiring Auditors, as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 7)

SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary/Special Resolutions with or without modifications: -

7. **Ordinary Resolution**
Authority to Issue Shares Pursuant to the Companies Act 2016 (Resolution 8)

"THAT, subject always to the Companies Act 2016 ("Act"), the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the provisions of the Constitution of the Company and approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Board of Directors of the Company ("Board") be and is hereby empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company, at any time upon such terms and conditions, for such purposes as the Board may, in its absolute discretion deem fit, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed ten (10%) per centum of the issued share capital of the Company for the time being and the Board be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities ("Mandate") and that such authority shall continue in force until the conclusion of the next AGM of the Company;

THAT pursuant to Section 85 of the Act, to be read together with Article 10 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company in respect of the allotment and issuance of new shares pursuant to the Mandate AND THAT such new shares when allotted shall rank pari passu in all respects with the existing class of ordinary shares;

AND FURTHER THAT the Board is exempted from the obligation to offer such new shares first to the existing shareholders of the Company in respect of the allotment and issuance of new shares pursuant to the Mandate."

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that for purpose of determining a member who shall be entitled to attend the 3rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 12 February 2026. Only a depositor whose name appears on the Record of Depositors as at 12 February 2026 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

Ch'ng Lay Hoon
SSM PC No.: 201908000494 MAICSA 0818580
Company Secretary
Penang

26 January 2026

NOTES:

1. Proxy

- 1.1 A member entitled to attend, speak and vote at the AGM is entitled to appoint proxy(ies) to attend, participate, speak and vote in his stead.
- 1.2 Where a member is an authorised nominee ("AN") as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), the AN may appoint proxy(ies) in respect of each securities account it holds which is credited with ordinary shares of the Company.
- 1.3 Where a member of the Company is an exempt authorised nominee ("EAN") as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), the EAN may appoint proxy(ies) in respect of each omnibus account it holds.
- 1.4 Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- 1.5 The appointment of a proxy may be made in hard copy form and must be received by the Company not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof. If the appointer is a corporation, under its common seal or in such other manner approved by its directors. Any alteration to the instrument appointing a proxy must be initialed.
- 1.6 Pursuant to Rule 8.31A of the ACE Market Listing Requirements issued by Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in the Notice of 3rd AGM will be put to vote on poll.

2. Audited Financial Statements for the financial year ended 30 September 2025

The audited financial statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

3. Explanatory Notes On Special Business

Resolution 8: Authority to Issue Shares

The proposed Resolution 8, if passed, will give a mandate to the Directors of the Company, from the date of above AGM, authority to issue and allot shares in the Company up to and not exceeding in total ten (10%) per centum of the issued share capital of the Company for the time being, for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at the 2nd AGM held on 26 February 2025. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time.

At this juncture, there is no decision to issue any new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company would make an announcement in respect of the purpose and utilization of the proceeds arising from such issue.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO RULE 8.29 (2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

- 1) Save for re-election of Directors, there is no Director standing for election at the 3rd AGM of the Company.

The retiring Directors have confirmed that they do not have any conflict of interest or potential conflict of interest that arise, or might arise, where they have interest, whether direct or indirect financial interest as well as non-financial interest or competing loyalties or interests which are in conflict with the Company or its subsidiaries.

- 2) The Ordinary Resolution 8 for the general mandate for issuance of securities is a renewal mandate. As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at the last AGM held on 26 February 2025.

LIST OF PROPERTIES

AS AT 30 SEPTEMBER 2025

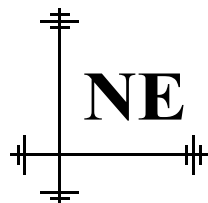
Registered Owner/ Location	Description/ Existing use	Land Area/ Built-up (sq.ft.)	Tenure (Expiry Date)	Age (Years)	Carrying Amounts as at 30.09.24 (RM'000)	Carrying Amounts as at 30.09.25 (RM'000)	Date of Acquisition
Northeast Precision Sdn. Bhd. (Factory 1) 1088 Jalan Juru, Kawasan Perindustrian Juru, 14100 Simpang Ampat, Pulau Pinang	Double-storey factory building annexed with a double-storey office/ Used as Manufacturing plant and office	58,329.63/ 44,034.00	Leasehold (60 years' lease expiring on 19 April 2039)	17	3,207	2,969	11 July 2008
Northeast Precision Sdn. Bhd. (Factory 2) 868, Plot 41, Jalan Perindustrian Bukit Minyak, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang	Single-storey factory building annexed with a double-storey office building/ PT 181 used as Manufacturing plant, warehouse and office; and Lot 20460 used as accommodation for workers	135,549.82/ 74,788.19	Leasehold (PT 181: 60 years' lease expiring on 4 February 2057; and Lot 20460: 60 years' lease expiring on 2 October 2073)	8	8,541	8,302	16 October 2017
NE Integrated Sdn. Bhd. (Factory 3) 1946, Lorong IKS Bukit Minyak 1, Taman IKS Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang	Double-storey factory building with 3-storey office building annexed with a double-storey factory building with warehouse/ Used as Manufacturing plant, office and warehouse	93,473.80/ 89,646	Leasehold (60 years' lease expiring on 10 January 2056)	7	9,762	9,387	15 November 2018
Northeast Precision Sdn. Bhd. 8, Lorong Industri Ringan 4, Kawasan Industri Ringan Juru, 14100 Simpang Ampat, Pulau Pinang	Double-storey bungalow light industry factory/ Vacant. Intended to convert the factory to a temporary accomodation for production workers	12,766/ 5,627	Freehold	11	2,144	2,095	15 October 2014
NE Components Sdn. Bhd. 1178 Jalan Kebun Baru, Taman Industri Ringan Juru, 14100 Simpang Ampat, Pulau Pinang	Single-storey semi-detached factory annexed with double-storey office/ Rented to Wilpack Food services Sdn Bhd for industrial use	12,518.43/ 6,252.86	Freehold	10	2,912	2,890	9 September 2015

LIST OF PROPERTIES

AS AT 30 SEPTEMBER 2025

Registered Owner/ Location	Description/ Existing use	Land Area/ Built-up (sq.ft.)	Tenure (Expiry Date)	Age (Years)	Carrying Amounts as at 30.09.24 (RM'000)	Carrying Amounts as at 30.09.25 (RM'000)	Date of Acquisition
NE Components Sdn. Bhd. 6, Lorong Industri Ringan 4, Kawasan Industri Ringan Juru, 14100 Simpang Ampat, Pulau Pinang	Double-storey of bungalow light industry factory/ Rented to Ircare Sdn Bhd for office, research and development and/ or production of products	12,766/ 5,627	Freehold	11	2,433	2,416	15 October 2014
Northeast Precision Sdn. Bhd. Lot 1368, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under GM788	Vacant land/ Vacant. Intended to build accommodation for local employees, if required	100,710.71/ Nil	Freehold	6	4,712	4,797	14 October 2019
NE Components Sdn. Bhd. Lot 1143, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under GM 603	Vacant land/ Vacant. Intended to build the New Factory	222,983.62/ Nil	Freehold	2	12,829	13,120	4 January 2023
NE Components Sdn. Bhd. Lot 1144, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang held under GM 889	Vacant land/ Vacant. Intended to use for future factory expansion	197,631.70/ Nil	Freehold	1	11,391	11,391	13 March 2024
NE Technologies Sdn. Bhd. PM 461, Lot 20823, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang (Previous: Lot 520)	Leasehold land with Warehouse	57,952.89/ 27,155.41	Leasehold (expiring on 13 February 2050)	0.5	-	11,214	3 October 2025

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NORTHEAST GROUP BERHAD
(Registration No.: 202201025913 (1471610-P))

PROXY FORM

CDS A/C. No.	No. of Ordinary Shares Held

I/We, _____
(Full name of a member in BLOCK LETTERS as per Identity Card ("MYKAD")/Passport/Certificate of Incorporation*)

MYKAD/Passport No./Company No.* _____ of _____

(Address in full)

telephone no. _____, being a member of NORTHEAST GROUP BERHAD ("Company")

hereby appoint _____
(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No.* _____ of _____

(Address in full)

And/or failing him/her,* _____
(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No.* _____ of _____

(Address in full)

or failing the abovenamed proxies, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the 3rd Annual General Meeting of the Company, to be held at **Iconic 1, Level 7, Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang on Tuesday, 24 February 2026 at 10.30 a.m.** or at any adjournment thereof. My/our proxy/proxies* is to be vote as indicated below:

Resolutions		For	Against
As Ordinary Business:			
1	Re-election of Mr. Chong Ewe Hean as Director		
2	Re-election of Dato' Seri Lee Kah Choon as Director		
3	Re-election of Mr. Yin Thien Hee as Director		
4	Re-election of Mr. Ng Chai Hee as Director		
5	Approval of Directors' Fees for the financial year ending 30 September 2026		
6	Approval of Directors' Other Benefits from 24 February 2026 to the next AGM		
7	Re-appointment of Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
As Special Business:			
8	Approval to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with "X" in the spaces on how you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain from voting at his discretion.)

*Strike out whichever not applicable

Dated this _____ day of _____ 2026

The proportions of my/our* holding to be represented by my/our* proxies are as follows:

	No. of Shares	Percentage
First Proxy		
Second Proxy		
Total		100%

Signature(s)/Common Seal of Member(s)

NOTES:

- A member entitled to attend, speak and vote at the AGM is entitled to appoint proxy(ies) to attend, participate, speak and vote in his stead.
- Where a member is an authorised nominee ("AN") as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), the AN may appoint proxy(ies) in respect of each securities account it holds which is credited with ordinary shares of the Company.
- Where a member of the Company is an exempt authorised nominee ("EAN") as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), the EAN may appoint proxy(ies) in respect of each omnibus account it holds.
- Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- The appointment of a proxy may be made in hard copy form and must be received by the Company not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof. If the appointer is a corporation, under its common seal or in such other manner approved by its directors. Any alteration to the instrument appointing a proxy must be initialed. Kindly refer to the Administrative Details for further guidance.
- For the purpose of determining a member who shall be entitled to attend this 3rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 12 February 2026. Only a depositor whose name appears on the Record of Depositors as at 12 February 2026 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Personal Data Privacy:

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM of the Company and any adjournment thereof.



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AFFIX STAMP

NORTHEAST GROUP BERHAD
(Registration No.: 202201025913 (1471610-P))

The Company Secretary
Suite 12-A, Level 12, Menara Northam
55 Jalan Sultan Ahmad Shah
10050 George Town, Pulau Pinang, Malaysia

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NORTHEAST GROUP BERHAD

(Registration No.: 202201025913 (1471610-P))

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