



CN ASIA CORPORATION BHD

(Registration No.: 199601027090 (399442-A))

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2025

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2025**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 Months Ended 31.03.2025 RM'000	3 Months Ended 31.03.2024 RM'000	12 Months Ended 31.03.2025 RM'000	12 Months Ended 31.03.2024 RM'000
Revenue	6,410	6,137	23,278	19,552
Cost of sales	(5,365)	(5,343)	(17,751)	(14,852)
Gross profit	1,045	794	5,527	4,700
Selling and distribution expenses	(8)	(7)	(49)	(35)
Administrative expenses	(1,487)	(1,665)	(4,473)	(4,518)
Other operating expenses	(11)	(10,098)	(53)	(10,105)
Other income	90	80	312	332
(Loss) / Profit from operations before interest and tax	(371)	(10,896)	1,264	(9,626)
Finance costs	(169)	(92)	(471)	(365)
(Loss) / Profit before tax	(540)	(10,988)	793	(9,991)
Tax expense	2	(25)	(48)	(197)
(Loss) / Profit after tax for the period	(538)	(11,013)	745	(10,188)
Other comprehensive expense, net of tax that may be reclassified subsequently to profit and loss	-	-	-	-
Total comprehensive (expenses) / income for the period	<u>(538)</u>	<u>(11,013)</u>	<u>745</u>	<u>(10,188)</u>
Net (loss) / profit for the period attributable to: -				
Owners of the Company	(538)	(11,013)	745	(10,188)
Non-controlling interests	-	-	-	-
	<u>(538)</u>	<u>(11,013)</u>	<u>745</u>	<u>(10,188)</u>
Total comprehensive (expenses) / income for the period attributable to: -				
Owners of the Company	(538)	(11,013)	745	(10,188)
Non-controlling interests	-	-	-	-
	<u>(538)</u>	<u>(11,013)</u>	<u>745</u>	<u>(10,188)</u>
(Loss) / Earnings per share (sen)				
- Basic	<u>(0.21)</u>	<u>(4.50)</u>	<u>0.29</u>	<u>(4.16)</u>
- Diluted	<u>(0.21)</u>	<u>(4.49)</u>	<u>0.29</u>	<u>(4.15)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	As At Current Financial Period Ended 31.03.2025 RM'000	As At Preceding Financial Year Ended 31.03.2024 RM'000
ASSETS		
Non-current Assets		
<i>Property, plant and equipment</i>	10,705	11,204
<i>Right-of-use asset</i>	3,144	265
	<u>13,849</u>	<u>11,469</u>
Current Assets		
<i>Inventories</i>	5,439	3,654
<i>Trade and other receivables</i>	20,576	17,190
<i>Contract assets</i>	286	427
<i>Current tax asset</i>	199	93
<i>Cash and cash equivalents</i>	12,220	11,503
	<u>38,720</u>	<u>32,867</u>
TOTAL ASSETS	<u><u>52,569</u></u>	<u><u>44,336</u></u>
EQUITY AND LIABILITIES		
Equity		
<i>Share capital</i>	76,684	75,046
<i>Share options reserve</i>	162	162
<i>Accumulated losses</i>	(42,508)	(43,253)
Shareholders' Equity	<u>34,338</u>	<u>31,955</u>
Liabilities		
Non-current Liability		
<i>Lease liabilities</i>	2,298	-
<i>Term loan</i>	2,941	3,028
	<u>5,239</u>	<u>3,028</u>
Current Liabilities		
<i>Trade and other payables</i>	3,249	2,516
<i>Contract liabilities</i>	1,113	1,322
<i>Short-term borrowings</i>	7,654	5,223
<i>Lease liabilities</i>	976	292
	<u>12,992</u>	<u>9,353</u>
TOTAL LIABILITIES	<u>18,231</u>	<u>12,381</u>
TOTAL EQUITY AND LIABILITIES	<u><u>52,569</u></u>	<u><u>44,336</u></u>
Net Assets Per Share (RM)	<u><u>0.13</u></u>	<u><u>0.13</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2025**

	← Financial Period Ended →	
	31.03.2025	31.03.2024
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit / (Loss) Before Tax	793	(9,991)
Adjustments For:-		
Allowance for impairment of receivables	-	7,356
Allowance for impairment of intangible asset	-	56
Allowance for impairment of capital work in progress	-	2,679
Amortisation of intangible asset	-	32
Amortisation of leasehold land	45	45
Depreciation of property, plant and equipment	1,268	1,283
Depreciation of right-of-use asset	625	353
Loss/(Gain) on foreign exchange - Unrealised	31	(22)
Interest expenses	472	365
Interest income	(277)	(298)
	2,164	11,849
Operating Profit Before Working Capital Changes	2,957	1,858
Changes In Working Capital		
Inventories	(1,645)	216
Receivables	(3,456)	(7,665)
Payables	525	1,733
Cash Used In Operations	(1,619)	(3,858)
Interest paid	(472)	(365)
Tax Paid	(115)	(51)
Net Cash Used In Operating Activities	(2,206)	(4,274)
Cash Flows From Investing Activities		
Interest received	277	298
Capital work-in-progress incurred	(274)	(92)
Purchase of property, plant and equipment	(540)	(292)
Net Cash Used In Investing Activities	(537)	(86)
Cash Flows From Financing Activities		
Placement of pledged fixed deposit	(276)	(296)
Net proceeds from issuance of share	1,637	-
Net drawdown of bankers' acceptance	1,272	1,909
Net repayments of lease liabilities	(522)	(373)
Net repayments of term loan	(91)	(88)
Net Cash Generated From Financing Activities	2,020	1,152
Net Decrease In Cash And Cash Equivalents	(723)	(3,208)
Cash And Cash Equivalents At Beginning Of The Financial Year	(1,554)	1,654
Cash And Cash Equivalents At End Of The Financial Period	(2,277)	(1,554)
Cash and cash equivalents at end of the financial period comprise:		
Cash and cash equivalents	12,220	11,503
Bank overdrafts	(2,910)	(1,746)
	9,310	9,757
Less: Deposits pledged as security for banking facilities	(11,587)	(11,311)
	(2,277)	(1,554)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2025**

	-----Attributable to owners of the Company-----			
	Non-distributable		Distributable	
	SHARE CAPITAL RM'000	SHARE OPTIONS RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL EQUITY RM'000
Current financial period ended 31 March 2025				
At 1 April 2024	75,046	162	(43,253)	31,955
<u>Transaction with owners:</u>				
Issuance of shares	1,638	-	-	1,638
Profit for the period	-	-	745	745
At 31 March 2025	<u>76,684</u>	<u>162</u>	<u>(42,508)</u>	<u>34,338</u>
Preceding financial period ended 31 March 2024				
At 1 April 2023	75,046	162	(33,065)	42,143
<u>Transaction with owners:</u>	-	-	-	-
Loss for the period	-	-	(10,188)	(10,188)
At 31 March 2024	<u>75,046</u>	<u>162</u>	<u>(43,253)</u>	<u>31,955</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025**

Part A: Explanatory Notes Pursuant To MFRS 134

A1. Corporate information

CN ASIA CORPORATION BHD is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

A2. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Securities. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2024.

Change in Accounting Standards

The significant accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with the audited financial statements of the Group for the financial year ended 31 March 2024 except for the adoption of the following MFRSs and Amendments to MFRSs that are applicable to the Group’s financial year beginning on 1 April 2024: -

- Amendments to MFRS 101, MFRS 7, MFRS 16 and MFRS 107.

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations are not expected to have any material impact to the Group’s financial statements in the period of initial application.

A3. Auditors’ report on preceding annual financial statements

The auditor’s report of the Group’s annual audited financial statements of the preceding financial year was not subject to any qualification.

A4. Seasonal and cyclical factors

The business operations of the Group were not significantly affected by any seasonal and cyclical factors in the current quarter and financial year-to-date.

A5. Items of an unusual nature

There were no item affecting assets, liabilities, equity, net income, or cash flows that are unusual due to their nature, size or incidence.

A6. Material changes in estimates

There were no changes in estimates reported in prior interim periods of the current financial year or prior financial year, which have a material effect in the current interim period.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025 (Cont'd)**

Part A: Explanatory Notes Pursuant To MFRS 134 (Cont'd)

A7. Changes in debts and equity securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the current financial year-to-date up to the date of this report.

A8. Dividend paid

There was no dividend paid during the financial year-to-date.

A9. Operating Segments

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as the chief operating decision makers in order to allocate resources to segments and to assess performance of the Group. For management purposes, the Group is organised into business units based on their products and services provided, and has the following main business segments: -

- (a) Manufacturing - Manufacture tanks and related products, engineering and fabrication works.
- (b) Financial services - Providing moneylending services.
- (c) Energy Management - The business of energy management focused on nano technology lighting and urban farming.
- (d) Investment - Investment holdings comprise of companies providing management services.

<u>Business segments</u>	Manufacturing RM'000	Financial Services RM'000	Energy Management RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	21,898	1,380	-	-	-	23,278
Inter-segment revenue	-	-	-	461	(461)	-
Total revenue	21,898	1,380	-	461	(461)	23,278
Results						
Segment results	151	1,347	(82)	(428)	-	988
Finance costs	(472)	(400)	-	-	400	(472)
Interest income	277	-	-	-	-	277
Profit/(Loss) before tax	(44)	947	(82)	(428)	400	793
Tax expense	2	(50)	-	-	-	(48)
Profit/(Loss) after tax	(42)	897	(82)	(428)	400	745
Assets						
Segment assets	35,558	12,862	287	3,862	-	52,569
Liabilities						
Segment liabilities	17,485	24	-	722	-	18,231
Included in the measure of segment assets						
Capital expenditure	814	-	-	-	-	814
Depreciation and amortisation	1,941	-	-	(3)	-	1,938

Geographical information – Not Applicable.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025 (Cont'd)**

Part A: Explanatory Notes Pursuant To MFRS 134 (Cont'd)

A10. Trade and other receivables

	Financial Quarter Ended 31.03.2025 RM'000	Financial Year Ended 31.03.2024 RM'000
Trade receivables		
Non-related parties	3,226	3,439
Less: Allowance for impairment of receivables	(580)	(580)
	<u>2,646</u>	<u>2,859</u>
Loan Receivables – related party	7,735	7,315
Loan Receivables – non-related parties	18,271	17,311
	<u>26,006</u>	<u>24,626</u>
Less: Allowance for impairment on loan receivables -non-related parties	(13,196)	(13,196)
	<u>12,810</u>	<u>11,430</u>
	<u>15,456</u>	<u>14,289</u>
Other receivables, deposits and prepayments	5,120	2,901
Total trade and other receivables	<u>20,576</u>	<u>17,190</u>

The trade receivables of the Group, net of allowance for impairment, as at the end of the current quarter amounted to RM15.5 million (2024: RM14.3 million), consist of loan receivables of RM12.8 million (2024: RM11.4 million), and manufacturing receivables of RM2.6 million (2024: RM2.9 million). The loan receivables are due upon the loan maturity by April 2025 and the amount of RM13.2 million provided as expected credit losses in the preceding financial year ended 31 March 2024 was deemed sufficiently provided. The manufacturing receivables are analysed as follows: -

	Credit Period				
	Within	Exceeding			
	Not past due, not impaired	1 to 30 days past due, not impaired	31 to 60 days past due, not impaired	> 60 days past due, not impaired	Total
Manufacturing receivables (RM'000)	1,069	464	-	1,113	2,646
% of total manufacturing receivables (%)	40	18	-	42	100

The Group's normal trade credit term granted to its customers ranges from 30 to 90 days. The manufacturing receivables, net of allowance for impairment, that are past due for more than 60 days amounted to RM1.1 million, representing approximately 42% of the total manufacturing receivables of the Group. These receivables are creditworthy receivables and the Group maintains good business relationship with on-going business transactions with these customers. Given the credit exposure of the Group's portfolio of these receivables, the allowance for impairment of approximately RM0.6 million made in the prior year was sufficient. As at the date of this report, RM1.4 million or 55% of these receivables have been collected.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025 (Cont'd)**

Part A: Explanatory Notes Pursuant To MFRS 134 (Cont'd)

A11. Material subsequent events

There were no material event subsequent to the end of the current quarter reported, to 21 May 2025, being the latest practicable date ("LPD"), which is not earlier than seven (7) days from the date of issuance of this quarterly report, that has not been reflected in the financial statements for the period, except as disclosed in Note B6 of this report.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

A13. Changes in contingent liabilities

	Financial Quarter Ended 31.03.2025 RM'000	Financial Year Ended 31.03.2024 RM'000
<u>Secured</u>		
Bankers' guarantee issued in favour of third parties	142	86

A14. Capital commitments

There were no capital expenditure approved and contracted for in the current quarter and the financial year-to-date.

A15. Significant related party transactions

There were no significant transactions entered into between the Group and other related parties during the current quarter under review.

A16. Share Issuance Scheme ("SIS")

The Company has implemented a SIS scheme to attract and retain qualified and experienced employees. The scheme was approved by the shareholders at the Annual General Meeting held on 11 May 2021 and came into effect on 15 June 2021. The SIS shall be in force for a period of five (5) years until 14 June 2026.

The total number of options granted, exercised and outstanding under the SIS as at the financial period ended 31 March 2025 are set out below: -

Description	All Eligible Employees ('000)		
	Directors	Eligible Employees	Total
Total options granted			
At 1 April 2024 / 31 March 2025	-	600	600

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities

B1. Performance review

	Individual Quarter				Cumulative Quarter			
	3 Months	3 Months	Variance		12 Months	12 Months	Variance	
	Ended 31.03.2025 RM'000	Ended 31.03.2024 RM'000	Amount RM'000	%	Ended 31.03.2025 RM'000	Ended 31.03.2024 RM'000	Amount RM'000	%
Revenue	6,410	6,137	273	4	23,278	19,552	3,726	19
(Loss) / Profit before interest and tax	(371)	(10,896)	10,525	97	1,264	(9,626)	10,890	100
(Loss) / Profit before tax	(540)	(10,988)	10,448	95	793	(9,991)	10,784	108
(Loss) / Profit after tax	(538)	(11,013)	10,475	95	745	(10,188)	10,933	107
(Loss) / Profit attributable to owners of the Company	(538)	(11,013)	10,475	95	745	(10,188)	10,933	107

The Group reported a revenue of RM6.4 million for the current quarter, reflecting a 4% increase compared to the corresponding quarter ended 31 March 2024. The growth in revenue is primarily attributed to the performance of the manufacturing segment in supplying storage tanks to various data centers apart from the traditional pressure vessels and storage tanks for the oil and gas industry.

The Group recorded a loss before tax ("LBT") of RM0.5 million for the current quarter, down from RM11.0 million from the preceding year's corresponding quarter. The decrease was due to a RM7.4 million allowance for impairment of receivables and a RM2.7 million allowance for impairment of capital work in progress in the preceding year's corresponding quarter, as there were no impairments made for the current quarter.

For the current financial year-to-date, the Group's revenue increased by RM3.7 million or 19% compared to the preceding financial year-to-date. The increase in revenue was mainly contributed by the manufacturing segment. With the increase in revenue for the current financial year-to-date, the Group reported a profit before tax ("PBT") of RM0.8 million compared to a LBT of RM10.0 million in the preceding year.

B2. Comments on results against the immediate preceding quarter

	3 Months Current Quarter 31.03.2025 RM'000	3 Months Preceding Quarter 31.12.2024 RM'000	Variance	
			Amount RM'000	%
Revenue	6,410	8,288	(1,878)	(23)
(Loss) / Profit before interest and tax	(371)	1,551	(1,922)	(124)
(Loss) / Profit before tax	(540)	1,443	(1,983)	(137)
(Loss) / Profit after tax	(538)	1,443	(1,981)	(137)
(Loss) / Profit attributable to owners of the Company	(538)	1,443	(1,981)	(137)

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

Comments on results against the immediate preceding quarter (Cont'd)

The Group recorded a revenue of RM6.4 million for the current quarter, down 23% from the revenue of RM8.3 million for the immediate preceding quarter. The drop was mainly due to delay in deliveries to customers in the manufacturing segment as a result of the Chinese New Year holidays and the fasting month in March 2025..

The Group reported a LBT of RM0.5 million compared to a PBT of RM1.4 million in the preceding quarter, due to lower customers deliveries during Chinese New Year holidays and the fasting month.

B3. Commentary of prospects

The Board is of the view that the business environment remains challenging and competitive in view of the rising inflation rate and the worldwide geographical conflict. Moving forward, the group's performance may be affected by the fluctuations in foreign currency exchange rates and material costs.

Amidst the uncertainties and unpredictable business environment, the Group will continue to remain cautious and continuously monitor the developments of the global economic growth situation by taking appropriate measures to pursue more projects to expand its revenue base to sustain the Group's business and improve the Group's performance.

Barring further unforeseen circumstances, the Group expects its overall performance for the coming financial periods to remain challenging.

B4. Profit forecast or profit guarantee

Not applicable as no profit forecast was announced or disclosed in any public document.

B5. Tax expense

	Individual Quarter		Cumulative Quarter	
	3 Months Ended 31.03.2025 RM'000	3 Months Ended 31.03.2024 RM'000	12 Months Ended 31.03.2025 RM'000	12 Months Ended 31.03.2024 RM'000
Income tax				
- Current year	-	25	50	223
- Overprovision in prior year	(2)	-	(2)	(26)
	<u>(2)</u>	<u>25</u>	<u>48</u>	<u>197</u>

The tax for the current quarter was in respect of tax provided on profits generated from the moneylending business. The Group's effective tax rate for the quarter was lower than the statutory tax rate mainly due to utilisation of unabsorbed losses brought forward.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

B6. Status of corporate proposals and utilisation of proceeds

Save for the following disclosures, there were no other corporate proposals that has been announced by the Company that remained incomplete as at the LPD.

(a) Central Processing Complex Agreement.

The Company announced on 16 June 2023 to entered into a central processing complex agreement with Markmore Energy (Labuan) Limited and CaspiOil Gas LLP. The establishment of the proposed CPC Plant and First Pipeline at the Rakushechnoye Oil and Gas Field in the Republic of Kazakhstan to process the natural gas to produce liquefied petroleum gas and condensate and the processing and production of natural gas extracted from the Rakushechnoye Oil and Gas Field in Kazakhstan ("Proposed Gas Processing"). This agreement is subject to approval by the shareholders at the general meeting to be held at a date to be determined. In conjunction with the Proposed Gas Processing, the Company announced multiple proposals comprising of proposed private placement, proposed renounceable rights issue with free detachable warrants, proposed RCPS, proposed diversification of the business into the downstream oil and gas industry and proposed amendments to the Company's Constitution to facilitate the proposed issuance of RCPS ("Proposals").

On 10 July 2024, the Company announced that the Board was in the midst of reviewing the structure of the Proposals. Further announcement will be made upon finalisation of the revision of the Proposals.

(b) Private Placement

On 15 and 16 July 2024, TA Securities Holdings Berhad ("TA Securities") on behalf of CN Asia announced that the Company proposed to undertake a private placement of up to 10% of the existing total number of issued shares of CN Asia to independent third-party investor(s) ("Private Placement"). The Private Placement entails an issuance of up to 24,525,600 new ordinary shares of CN Asia.

Bursa Securities had, vide its letter dated 3 September 2024, approved the listing and quotation of up to 24,525,600 new ordinary shares to be issued pursuant to the Private Placement.

As at the LPD, the Private Placement were completed and proceeds raised as follows;

- (1) First tranche of 12,000,000 new ordinary shares at an issued price of RM0.0780 completed on 23 September 2024 and proceeds raised of RM936,000; and
- (2) Final tranche of 12,525,600 new ordinary shares at an issued price of RM0.0560 completed on 28 February 2025 and proceeds raised of RM701,433

The status of utilisation of the proceeds raised of RM1,637,433 as follows: -

Purpose	Actual proceeds raised RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Expected time frame for utilisation
Repayment of bank borrowings	1,446	(1,446)	-	Completed
Working Capital	110	(110)	-	Completed
Estimated expenses	81	(81)	-	Completed
	<u>1,637</u>	<u>(1,637)</u>	<u>-</u>	

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

Status of corporate proposals and utilisation of proceeds (Cont'd)

- (c) Framework Agreement (“FA”) - Jianghe Electromechanical Equipment Engineering Co., Ltd (“JHEEE”).

On 5 September 2024, the Board announced that the Company had on the even date entered into a FA with JHEEE to formalize and set out the preliminary terms of the Signing Parties relationship with each other via their respective investment participation in the collaboration through the third party company as envisaged to tender for the Project on a commercial basis (“Collaboration”) in the spirit and in the manner pursuant to the FA and in accordance to the Award.

On 2 December 2024, the Board announced that there is no material development as announced previously except the parties are still in the process of formalising the terms of the Collaboration. Further announcement will be released should there be any new development to the FA.

- (d) Proposed Reduction of RM35,000,000 of The Issued Share Capital of CN Asia Pursuant to Section 117 of the Companies Act 2016 (“Act”) (“Proposed Share Capital Reduction”)

On 21 February 2025, the Company announced to undertake the Proposed Share Capital Reduction. The Proposed Share Capital entails the reduction of the Company’s issued share capital pursuant to Section 117 of the Act via the cancellation of the Company’s issued share capital of RM35,000,000. The corresponding credit of RM35,000,000 arising from such cancellation will be used to set-off the accumulated losses of the Company, while the remaining balance will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board of Directors at a later date and in the best interest of the Company, as permitted by the relevant and applicable laws as well as the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Company has obtained shareholders’ approval for the Proposed Share Capital Reduction at the Extraordinary General Meeting held on 21 April 2025. The notice of the Proposed Share Capital Reduction under Section 117(1) of the Act have been lodged to the Registrar of Companies on 23 April 2025.

B7. Group borrowings

	Financial Period Ended 31.03.2025 RM’000	Financial Year Ended 31.03.2024 RM’000
<u>SECURED</u>		
Short term		
Bank overdraft	2,910	1,747
Bankers’ acceptance	4,649	3,377
Term Loan	95	99
	<hr/> 7,654	<hr/> 5,223
Long term		
Term loan	2,941	3,028
	<hr/>	<hr/>
Total Borrowings	<hr/> 10,595	<hr/> 8,251

There were no foreign currency borrowings included in the above balances.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

B8. Material litigation, claims and arbitration

There is no pending litigation against the Group at the date of this report either as plaintiff or defendant which may materially affect the financial position or business of the Group, saved as disclosed below:

**Shah Alam High Court Judicial Review Application No. BA-25-126/10/2024
Chip Ngai Engineering Works Sdn Bhd (“Chip Ngai Engineering Works”) vs Majlis Bandaraya Subang Jaya (“MBSJ”)**

- (a) On 18 October 2024, Chip Ngai Engineering Works, a wholly-owned subsidiary of CN Asia, the applicant, filed a judicial review against MBSJ, the respondent, regarding several actions and notices issued by MBSJ against Chip Ngai Engineering Works (“Judicial Review”).
- (b) Chip Ngai Engineering Works operates the subject property held under HS(M) 20480, PT 17040, Mukim Petaling, Daerah Petaling, Negeri Selangor, which has been used for industrial purposes since obtaining its Certificate of Fitness in 1994. Originally, Chip Ngai Engineering Works owned the property but sold it to a third party in 2016. Following the sale, Chip Ngai Engineering Works entered into a leaseback arrangement to continue its operations on the premises. Chip Ngai Engineering Works alleges that MBSJ issued multiple unreasonable and unlawful notices (“MBS Notices”), including:
 - (i) demand to restore the land to its original condition;
 - (ii) orders for business closure to prevent alleged nuisances;
 - (iii) rejection of its application to expand business operations to include storage and office activities; and
 - (iv) revocation of its business and advertisement license during a council meeting without prior notice or justification.
- (c) Through the Judicial Review, Chip Ngai Engineering Works seeks to nullify all MBSJ Notices as well as actions taken by MBSJ, secure approval for its business expansion application, and claim compensation for damages caused. In any event if the MBSJ notices are enforced, Chip Ngai Engineering Works may face significant financial losses, operational disruptions, and potential layoff of employees.
- (d) In conjunction with the Judicial Review applications, an application of interlocutory injunction was also filed by Chip Ngai Engineering Works to prevent MBSJ from taking further enforcement actions pending the disposal of the Judicial Review (“Injunction”). However, the Injunction application was dismissed by the court on 19 February 2025.
- (e) Despite the dismissal of the Injunction application, the court simultaneously granted leave for Chip Ngai Engineering Works to proceed with the Judicial Review. An upcoming hearing date will be fixed during e-review for case management on 25 March 2025. The court’s decision to grant leave for the Judicial Review indicates that the case presents a prima facie arguable issue, warranting further examination by the court.
- (f) Chip Ngai Engineering Works’ solicitor is of the opinion that Chip Ngai Engineering Works has strong legal grounds to challenge MBSJ’s actions, and the court’s dismissal of the Injunction application does not affect the merit of Chip Ngai Engineering Works’ positions in the Judicial Review.

B9. Dividend

There was no interim dividend declared during the current quarter and financial year-to-date..

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

B10. (Loss) / Earnings per share

(a) Basic (loss) / earnings per share

	Individual Quarter		Cumulative Quarter	
	3 Months Ended 31.03.2025 RM'000	3 Months Ended 31.03.2024 RM'000	12 Months Ended 31.03.2025 RM'000	12 Months Ended 31.03.2024 RM'000
(Loss) / Profit after tax for the period	(538)	(11,013)	745	(10,188)
Weighted average number of ordinary shares in issue ('000)	252,202	244,657	252,202	244,657
Basic (loss) / earnings per share (sen)	(0.21)	(4.50)	0.29	(4.16)

(b) Diluted (loss) / earnings per share

(Loss) / Profit after tax for the period	(538)	(11,013)	745	(10,188)
Weighted average number of ordinary shares in issue ('000)	252,202	244,657	252,202	244,657
Effect of potential exercise of share options ('000)	600	600	600	600
	252,802	245,257	252,802	245,257
Diluted (loss) / earnings per share (sen)	(0.21)	(4.49)	0.29	(4.15)

B11. Additional disclosure on profit before tax

	Individual Quarter		Cumulative Quarter	
	3 Months Ended 31.03.2025 RM'000	3 Months Ended 31.03.2024 RM'000	12 Months Ended 31.03.2025 RM'000	12 Months Ended 31.03.2024 RM'000
Profit / (Loss) before tax is derived after charging/(crediting) the following: -				
Allowance for impairment of receivables	-	7,356	-	7,356
Allowance for impairment of intangible assets	-	56	-	56
Allowance for impairment of capital work in progress	-	2,679	-	2,679
Amortisation of intangible assets	-	8	-	32
Amortisation of leasehold land	11	11	45	45
Depreciation of property, plant and equipment	320	313	1,268	1,283
Depreciation of right-of-use asset	360	88	625	353
Interest expenses	170	92	472	365
Interest income	(66)	(74)	(277)	(298)
Loss/(Gain) on foreign exchange				
- Unrealised	(4)	(5)	31	(22)
- Realised	(1)	4	(6)	(1)

CN ASIA CORPORATION BHD (Registration No: 199601027090 (399442-A))
(Incorporated in Malaysia)

**Notes To The Condensed Consolidated Interim Financial Statements
For The Fourth Financial Quarter Ended 31 March 2025 (Cont'd)**

Part B: Explanatory Notes Pursuant To Main Market Listing Requirements of Bursa Securities (Cont'd)

B.12 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 May 2025.

BY ORDER OF THE BOARD

CHIEW LIYAH (MAICSA 7040924) (SSM PC No. 201908003992)
Company Secretary
Selangor, 28 May 2025.