



CN ASIA CORPORATION BHD

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIXTH FINANCIAL QUARTER ENDED 30 SEPTEMBER 2025

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIXTH FINANCIAL QUARTER ENDED 30 SEPTEMBER 2025**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|--|--|---|
| | 3 Months Ended 30.09.2025 RM'000 | 3 Months Ended 30.09.2024 ** RM'000 | 18 Months Ended 30.09.2025 RM'000 | 18 Months Ended 30.09.2024 ** RM'000 |
| Revenue | 5,718 | - | 38,162 | - |
| Cost of sales | (6,049) | - | (31,137) | - |
| Gross (loss) / profit | (331) | - | 7,025 | - |
| Selling and distribution expenses | (6) | - | (71) | - |
| Administrative expenses | (1,407) | - | (7,133) | - |
| Other operating expenses | (10,381) | - | (10,606) | - |
| Other income | 185 | - | 540 | - |
| Loss from operations before interest and tax | (11,940) | - | (10,245) | - |
| Finance costs | (135) | - | (752) | - |
| Loss before tax | (12,075) | - | (10,997) | - |
| Tax expense | (110) | - | (158) | - |
| Loss after tax for the period | (12,185) | - | (11,155) | - |
| Other comprehensive expense, net of tax that may be reclassified subsequently to profit and loss | - | - | - | - |
| Total comprehensive expenses for the period | <u>(12,185)</u> | <u>-</u> | <u>(11,155)</u> | <u>-</u> |
| Net loss for the period attributable to: - | | | | |
| Owners of the Company | (12,185) | - | (11,155) | - |
| Non-controlling interests | - | - | - | - |
| | <u>(12,185)</u> | <u>-</u> | <u>(11,155)</u> | <u>-</u> |
| Total comprehensive expenses for the period attributable to: - | | | | |
| Owners of the Company | (12,185) | - | (11,155) | - |
| Non-controlling interests | - | - | - | - |
| | <u>(12,185)</u> | <u>-</u> | <u>(11,155)</u> | <u>-</u> |
| Loss per share (sen) | | | | |
| - Basic | <u>(4.73)</u> | <u>-</u> | <u>(4.33)</u> | <u>-</u> |
| - Diluted | <u>(4.71)</u> | <u>-</u> | <u>(4.32)</u> | <u>-</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.

*** In view of the change in financial year end from 31 March 2025 to 30 September 2025, there was no comparative financial information available for the quarter ended 30 September 2025 and the 18 months financial period ended 30 September 2025.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

| | As At Current Financial Period Ended 30.09.2025 RM'000 | As At Preceding Financial Year Ended 31.03.2024 RM'000 |
|--------------------------------------|--|--|
| ASSETS | | |
| Non-current Assets | | |
| <i>Property, plant and equipment</i> | 10,049 | 11,204 |
| <i>Right-of-use asset</i> | 2,554 | 265 |
| | <u>12,603</u> | <u>11,469</u> |
| Current Assets | | |
| <i>Inventories</i> | 3,625 | 3,654 |
| <i>Trade and other receivables</i> | 11,524 | 17,190 |
| <i>Contract assets</i> | - | 427 |
| <i>Current tax asset</i> | 121 | 93 |
| <i>Cash and cash equivalents</i> | 12,243 | 11,503 |
| | <u>27,513</u> | <u>32,867</u> |
| TOTAL ASSETS | <u><u>40,116</u></u> | <u><u>44,336</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| <i>Share capital</i> | 41,684 | 75,046 |
| <i>Share options reserve</i> | 162 | 162 |
| <i>Accumulated losses</i> | (19,408) | (43,253) |
| Shareholders' Equity | <u>22,438</u> | <u>31,955</u> |
| Liabilities | | |
| Non-current Liability | | |
| <i>Lease liabilities</i> | 1,629 | - |
| <i>Term loan</i> | 2,881 | 3,028 |
| | <u>4,510</u> | <u>3,028</u> |
| Current Liabilities | | |
| <i>Trade and other payables</i> | 3,359 | 2,516 |
| <i>Contract liabilities</i> | 3,015 | 1,322 |
| <i>Short-term borrowings</i> | 5,551 | 5,223 |
| <i>Lease liabilities</i> | 1,243 | 292 |
| | <u>13,168</u> | <u>9,353</u> |
| TOTAL LIABILITIES | <u>17,678</u> | <u>12,381</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>40,116</u></u> | <u><u>44,336</u></u> |
| Net Assets Per Share (RM) | <u><u>0.08</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 SIXTH FINANCIAL QUARTER ENDED 30 SEPTEMBER 2025

| | ← Financial Period Ended → | |
|--|----------------------------|----------------------|
| | 30.09.2025 | 30.09.2024 ** |
| | RM'000 | RM'000 |
| Cash Flows From Operating Activities | | |
| Loss Before Tax | (10,997) | - |
| Adjustments For:- | | |
| Allowance for impairment of receivables | 10,554 | - |
| Allowance for impairment of intangible asset | - | - |
| Allowance for impairment of capital work in progress | - | - |
| Amortisation of intangible asset | - | - |
| Amortisation of leasehold land | 67 | - |
| Depreciation of property, plant and equipment | 1,909 | - |
| Depreciation of right-of-use asset | 1,214 | - |
| Loss on foreign exchange - Unrealised | 30 | - |
| Interest expenses | 752 | - |
| Interest income | (406) | - |
| | <u>14,120</u> | <u>-</u> |
| Operating Profit Before Working Capital Changes | 3,123 | - |
| Changes In Working Capital | | |
| Inventories | 456 | - |
| Receivables | (4,983) | - |
| Payables | 2,535 | - |
| Cash Generated From Operations | <u>1,131</u> | <u>-</u> |
| Interest paid | (752) | - |
| Tax Paid | (120) | - |
| Net Cash Generated From Operating Activities | <u>259</u> | <u>-</u> |
| Cash Flows From Investing Activities | | |
| Interest received | 406 | - |
| Capital work-in-progress incurred | 402 | - |
| Purchase of property, plant and equipment | (1,223) | - |
| Net Cash Used In Investing Activities | <u>(415)</u> | <u>-</u> |
| Cash Flows From Financing Activities | | |
| Placement of pledged fixed deposit | (405) | - |
| Net proceeds from issuance of share | 1,638 | - |
| Net drawdown of bankers' acceptance | 664 | - |
| Net repayments of lease liabilities | (924) | - |
| Net repayments of term loan | (141) | - |
| Net Cash Generated From Financing Activities | <u>832</u> | <u>-</u> |
| Net Increase In Cash And Cash Equivalents | 676 | - |
| Cash And Cash Equivalents At Beginning Of The Financial Year | (1,554) | - |
| Cash And Cash Equivalents At End Of The Financial Period | <u>(878)</u> | <u>-</u> |
| Cash and cash equivalents at end of the financial period comprise: | | |
| Cash and cash equivalents | 12,243 | - |
| Bank overdrafts | (1,405) | - |
| | <u>10,838</u> | <u>-</u> |
| Less: Deposits pledged as security for banking facilities | (11,716) | - |
| | <u>(878)</u> | <u>-</u> |

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.

*** In view of the change in financial year end from 31 March 2025 to 30 September 2025, there was no comparative financial information available for the 18 months financial period ended 30 September 2025.*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIXTH FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 30 September 2025 | | | | |
| At 1 April 2024 | 75,046 | 162 | (43,253) | 31,955 |
| <u>Transaction with owners:</u> | | | | |
| Issuance of shares | 1,638 | - | - | 1,638 |
| Share Capital Reduction | (35,000) | - | 35,000 | - |
| Loss for the period | - | - | (11,155) | (11,155) |
| At 30 September 2025 | 41,684 | 162 | (19,408) | 22,438 |

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.

*** In view of the change in financial year end from 31 March 2025 to 30 September 2025, there was no comparative financial information available for the 18 months financial period ended 30 September 2025.*

**Notes To The Condensed Consolidated Interim Financial Statements
For The Sixth Financial Quarter Ended 30 September 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. Change in Financial Year End

The Company had on 26 May 2025 announced that it had changed its financial year end from 31 March 2025 to 30 September 2025. Consequently, the next set of audited financial statements shall be made up from 01 April 2024 to 30 September 2025 covering a period of 18 months and subsequently, the financial year of the Company shall end on 30 September.

In view of the change in financial year end from 31 March 2025 to 30 September 2025, there was no comparative financial information available for the quarter ended 30 September 2025 and the 18 months financial period ended 30 September 2025.

A4. 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.

A5. 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.

A6. 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.

A7. 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 Sixth Financial Quarter Ended 30 September 2025 (Cont'd)**

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

A8. 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, save and except for the issuance of new ordinary shares as follows:-

| | <u>Pursuant to</u> | <u>Date issue</u> | <u>No. of shares</u> | <u>Issue Price</u> | <u>Listing Date</u> |
|------|--------------------|-------------------|----------------------|--------------------|---------------------|
| (i) | Private Placement | 19/09/2024 | 12,000,000 | RM0.0780 | 23/09/2024 |
| (ii) | Private Placement | 26/02/2025 | 12,525,600 | RM0.0560 | 28/02/2025 |

A9. Dividend paid

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

A10. 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> | <u>Manufacturing</u> <u>RM'000</u> | <u>Financial</u> <u>Services</u> <u>RM'000</u> | <u>Energy</u> <u>Management</u> <u>RM'000</u> | <u>Investment</u> <u>RM'000</u> | <u>Elimination</u> <u>RM'000</u> | <u>Consolidated</u> <u>RM'000</u> |
|--|---------------------------------------|--|---|------------------------------------|-------------------------------------|--------------------------------------|
| Revenue | | | | | | |
| External revenue | 36,092 | 2,070 | - | - | - | 38,162 |
| Inter-segment revenue | - | - | - | 690 | (690) | - |
| Total revenue | 36,092 | 2,070 | - | 690 | (690) | 38,162 |
| Results | | | | | | |
| Segment results | (1,695) | (8,017) | (122) | (817) | - | (10,651) |
| Finance costs | (752) | (600) | - | - | 600 | (752) |
| Interest income | 405 | - | - | 1 | - | 406 |
| Loss before tax | (2,042) | (8,617) | (122) | (816) | 600 | (10,997) |
| Tax expense | (108) | (50) | - | - | - | (158) |
| Loss after tax | (2,150) | (8,667) | (122) | (816) | 600 | (11,155) |
| Assets | | | | | | |
| Segment assets | 33,277 | 3,575 | 281 | 2,983 | - | 40,116 |
| Liabilities | | | | | | |
| Segment liabilities | 17,421 | 71 | - | 186 | - | 17,678 |
| Included in the measure of segment assets | | | | | | |
| Capital expenditure | 1,511 | - | - | - | - | 1,511 |
| Depreciation and amortisation | 3,190 | - | 5 | (5) | - | 3,190 |

Geographical information – Not Applicable.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Sixth Financial Quarter Ended 30 September 2025 (Cont'd)**

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

A11. Trade and other receivables

| | Financial Quarter Ended 30.09.2025 RM'000 | Financial Year Ended 31.03.2024 RM'000 |
|--|--|---|
| Trade receivables | | |
| Non-related parties | 5,784 | 3,439 |
| Less: Allowance for impairment of receivables | (1,134) | (580) |
| | 4,650 | 2,859 |
| Loan Receivables – related party | 7,945 | 7,315 |
| Loan Receivables – non-related parties | 18,751 | 17,311 |
| | 26,696 | 24,626 |
| Less: Allowance for impairment on loan receivables | | |
| -related parties | (4,445) | - |
| -non-related parties | (18,751) | (13,196) |
| | 3,500 | 11,430 |
| | 8,150 | 14,289 |
| Other receivables, deposits and prepayments | 3,374 | 2,901 |
| Total trade and other receivables | 11,524 | 17,190 |

The trade receivables of the Group, net of allowance for impairment, as at the end of the current quarter amounted to RM8.2 million (2024: RM14.3 million), consist of loan receivables of RM3.5 million (2024: RM11.4 million), and manufacturing receivables of RM4.7 million (2024: RM2.9 million). The loan receivables are due upon the loan maturity by April 2025 and an amount of RM23.2 million was provided as expected credit losses up to the current financial quarter ended 30 September 2025 was deemed sufficient. 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) | 3,277 | 282 | - | 1,091 | 4,650 |
| % of total manufacturing receivables (%) | 71 | 6 | - | 23 | 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 RM1.09 million, representing approximately 23% 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, an allowance for impairment of approximately RM1.1 million has been made up to the current financial quarter. As at the date of this report, RM2.8 million or 60% of these receivables have been collected.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Sixth Financial Quarter Ended 30 September 2025 (Cont'd)**

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

A12. Material subsequent events

There were no material event subsequent to the end of the current quarter reported, to 20 November 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.

A13. 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.

A14. Changes in contingent liabilities

| | Financial Quarter Ended 30.06.2025 RM'000 | Financial Year Ended 31.03.2024 RM'000 |
|--|--|---|
| <u>Secured</u> | | |
| Bankers' guarantee issued in favour of third parties | 167 | 86 |

A15. Capital commitments

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

A16. Significant related party transactions

There were no significant transactions entered into between the Group and other related parties during the current quarter under review, saved as disclosed below:

| | Individual Quarter | | Cumulative Quarter | |
|-----------------|---|--|--|--|
| | 3 Months Ended 30.09.2025 RM'000 | 3 Months Ended 30.09.2024 ** RM'000 | 18 Months Ended 30.09.2025 RM'000 | 18 Months Ended 30.09.2024** RM'000 |
| Interest Income | 105 | - | 630 | - |

*** In view of the change in financial year end from 31 March 2025 to 30 September 2025, there was no comparative financial information available for the quarter ended 30 September 2025 and the 18 months financial period ended 30 September 2025.*

A17. 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 30 September 2025 are set out below: -

| Description | All Eligible Employees ('000) | | |
|-------------------------------------|--------------------------------------|---------------------------|--------------|
| | Directors | Eligible Employees | Total |
| Total options granted | | | |
| At 1 April 2024 / 30 September 2025 | - | 600 | 600 |

**Notes To The Condensed Consolidated Interim Financial Statements
For The Sixth Financial Quarter Ended 30 September 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 Ended | 3 Months Ended | Variance | | 18 Months Ended | 18 Months Ended ** | Variance | |
| | 30.09.2025 RM'000 | 30.09.2024 RM'000 | Amount RM'000 | % | 30.09.2025 RM'000 | 30.09.2024 RM'000 | Amount RM'000 | % |
| Revenue | 5,718 | - | - | - | 38,162 | - | - | - |
| Loss before interest and tax | (11,940) | - | - | - | (10,245) | - | - | - |
| Loss before tax | (12,075) | - | - | - | (10,997) | - | - | - |
| Loss after tax | (12,185) | - | - | - | (11,155) | - | - | - |
| Loss attributable to owners of the Company | (12,185) | - | - | - | (11,155) | - | - | - |

*** In view of the change in financial year end from 31 March 2025 to 30 September 2025, there was no comparative financial information available for the quarter ended 30 June 2025 and the 18 months financial period ended 30 September 2025*

The Group reported a revenue of RM5.7 million for the current quarter and for the 18 months financial period, a revenue of RM38.2 million. The revenue was mainly derived from 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 RM12.1 million for the current quarter and for the 18 months financial period, a LBT of RM11.0 million. The LBT for the current quarter were mainly due to impairment for expected credit losses of RM10.4 million for trade receivables and impairment on old and slow moving inventories of RM0.8 million.

B2. Comments on results against the immediate preceding quarter

| | 3 Months Current Quarter | 3 Months Preceding Quarter | Variance | |
|---|--------------------------------|----------------------------------|------------------|---------|
| | 30.09.2025 RM'000 | 30.06.2025 RM'000 | Amount RM'000 | % |
| Revenue | 5,718 | 9,166 | (3,448) | (38) |
| (Loss) / Profit before interest and tax | (11,940) | 431 | (12,371) | (2,870) |
| (Loss) / Profit before tax | (12,075) | 285 | (12,360) | (4,337) |
| (Loss) / Profit after tax | (12,185) | 285 | (12,470) | (4,375) |
| (Loss) / Profit attributable to owners of the Company | (12,185) | 285 | (12,470) | (4,375) |

The Group recorded a revenue of RM5.7 million for the current quarter, a decrease of 38% from the revenue of RM9.2 million for the immediate preceding quarter. The decrease in revenue is primarily attributed to the delay in taking delivery of storage tanks by the customers to data centers as the construction sites are not ready. In addition, customers had held on and delayed their purchase orders as they were concerned on the impact of the expanded scope of Sales and Service Tax implemented by the Government with effect from 01 July 2025.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Sixth Financial Quarter Ended 30 September 2025 (Cont'd)**

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

B2. Comments on results against the immediate preceding quarter (Cont'd)

With the decrease in revenue, the Group reported a LBT of RM12.1 million compared to a profit before tax of RM0.3 million in the preceding quarter. In addition, for the current quarter, impairment for expected credit losses of RM10.4 million were made for trade receivables whilst impairment on old and slow moving inventories of RM0.8 million was also made.

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 30.09.2025 RM'000 | 3 Months Ended 30.09.2024 ** RM'000 | 18 Months Ended 30.09.2025 RM'000 | 18 Months Ended 30.09.2024** RM'000 |
| Income tax | | | | |
| - Current year | 110 | - | 160 | - |
| - Overprovision in prior year | - | - | (2) | - |
| | <u>110</u> | <u>-</u> | <u>158</u> | <u>-</u> |

*** In view of the change in financial year end from 31 March 2025 to 30 September 2025, there was no comparative financial information available for the quarter ended 30 September 2025 and the 18 months financial period ended 30 September 2025.*

The tax for the current quarter was in respect of tax provided on profits generated from the moneylending business, interest earned from placement of fixed deposit and other revenue. 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 Sixth Financial Quarter Ended 30 September 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 was completed and proceeds raised are 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 Sixth Financial Quarter Ended 30 September 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 (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.

On 14 July 2025, the Company announced that the Company had received notice dated 11 July 2025 issued by the Registrar of Companies confirming the reduction of share capital. Accordingly, the Share Capital Reduction was effective and completed as at 11 July 2025.

Following the completion of the Share Capital Reduction, the issued share capital of the Company as at 11 July 2025 was adjusted to RM41,683,717.04 comprising of 269,182,510 units of CN Asia Shares.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Sixth Financial Quarter Ended 30 September 2025 (Cont'd)**

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

B7. Group borrowings

| | Financial Period Ended 30.09.2025 RM'000 | Financial Year Ended 31.03.2024 RM'000 |
|---------------------|---|---|
| <u>SECURED</u> | | |
| Short term | | |
| Bank overdraft | 1,405 | 1,747 |
| Bankers' acceptance | 4,041 | 3,377 |
| Term Loan | 105 | 99 |
| | <hr/> 5,551 | <hr/> 5,223 |
| Long term | | |
| Term loan | 2,881 | 3,028 |
| | <hr/> 8,432 | <hr/> 8,251 |
| Total Borrowings | | |

The Group does not have foreign currency borrowings.

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.

**Notes To The Condensed Consolidated Interim Financial Statements
For The Sixth Financial Quarter Ended 30 June 2025 (Cont'd)**

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

B8. Material litigation, claims and arbitration (Cont'd)

- (e) Despite the dismissal of the Injunction application, the court simultaneously granted leave for Chip Ngai Engineering Works to proceed with the Judicial Review. The Court has set 26 November 2025 for case management. 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.

B10. Loss per share

(a) Loss per share

| | Individual Quarter | | Cumulative Quarter | |
|--|---|--|--|---|
| | 3 Months Ended 30.09.2025 RM'000 | 3 Months Ended 30.09.2024 ** RM'000 | 18 Months Ended 30.09.2025 RM'000 | 18 Months Ended 30.09.2024 ** RM'000 |
| Loss after tax for the period | (12,185) | - | (11,155) | - |
| Weighted average number of ordinary shares in issue ('000) | 257,872 | - | 257,872 | - |
| Loss per share (sen) | (4.73) | - | (4.33) | - |

(b) Diluted loss per share

| | | | | |
|--|----------|---|----------|---|
| Loss after tax for the period | (12,185) | - | (11,155) | - |
| Weighted average number of ordinary shares in issue ('000) | 257,872 | - | 257,872 | - |
| Effect of potential exercise of share options ('000) | 600 | - | 600 | - |
| | 258,472 | - | 258,472 | - |
| Diluted loss per share (sen) | (4.71) | - | (4.32) | - |

*** In view of the change in financial year end from 31 March 2025 to 30 September 2025, there was no comparative financial information available for the quarter ended 30 September 2025 and the 18 months financial period ended 30 September 2025.*

**Notes To The Condensed Consolidated Interim Financial Statements
For The Sixth Financial Quarter Ended 30 September 2025 (Cont'd)**

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

B11. Additional disclosure on loss before tax

| | Individual Quarter | | Cumulative Quarter | |
|--|---|--|--|---|
| | 3 Months Ended 30.09.2025 RM'000 | 3 Months Ended 30.09.2024 ** RM'000 | 18 Months Ended 30.09.2025 RM'000 | 18 Months Ended 30.09.2024 ** RM'000 |
| Loss before tax is derived after charging/(crediting) the following: - | | | | |
| Allowance for impairment of receivables | 10,382 | - | 10,554 | - |
| Amortisation of leasehold land | 11 | - | 67 | - |
| Depreciation of property, plant and equipment | 316 | - | 1,909 | - |
| Depreciation of right-of-use asset | 294 | - | 1,214 | - |
| Interest expenses | 135 | - | 752 | - |
| Interest income | (62) | - | (406) | - |
| Loss/(Gain) on foreign exchange | | | | |
| - Unrealised | (1) | - | 30 | - |
| - Realised | (3) | - | (8) | - |

*** In view of the change in financial year end from 31 March 2025 to 30 September 2025, there was no comparative financial information available for the quarter ended 30 September 2025 and the 18 months financial period ended 30 September 2025.*

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 27 November 2025.

BY ORDER OF THE BOARD

CHIEW LIYAH (MAICSA 7040924) (SSM PC No. 201908003992)
Company Secretary
Selangor, 27 November 2025.