

Sustainability Statement

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Sustainability Statement

About this Statement

LAC Med Berhad and its group of companies ("LAC Med" or "the Group") presents our inaugural Sustainability Statement ("SS") for the financial year ended 31 December 2025 ("FYE2025"). Following our successful listing on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 10 December 2025, this statement provides an overview of the Group's coverage of our sustainability agenda and activities throughout FYE2025.

LAC Med acknowledges that sustainable practices are a core part of our operations as we seek to produce long-term value for our stakeholders. We recognise that sustainable development is critical to our success to ensure that we incorporate elements of sustainability into our operations that will aid us in maximising our economic potential, minimising our impact on the environment and empowering the communities around us. We are guided by the Environment, Social and Governance ("ESG") pillars to help us meet our commitments that will help create a more resilient organisation. Our business model is adaptable and sensitive to the dynamic needs of our stakeholders and the markets in which we operate while maintaining long term financial viability and growth within the healthcare industry. As an end-to-end medical devices' solutions provider, we have made the effort to ingrain ESG into our mission and vision of reimagining healthcare through partnership with healthcare providers with the aim of empowering caregivers to enhance patients care and the community.

Our Sustainability Report was prepared in reference to Bursa Securities Main Market Listing Requirements, the Bursa Securities Sustainability Reporting Guide (3rd Edition) and it has also prepared the reported information with reference to the Global Reporting Initiatives ("GRI") Standards.

Reporting Scope and Boundary

LAC Med's headquarter is located in Plaza Kelana Jaya, Petaling Jaya, Selangor with operations in East and West Malaysia as well as in West Jakarta, Indonesia. The scope and reporting boundary of this report include all Malaysian entities within the Group as shown on Page 11 save for PT Fairmed, an entity newly incorporated in Indonesia on December 2024 which is excluded from the sustainability report. The disclosures in this report cover all sustainability policies and practices from 1 January 2025 to 31 December 2025. Being its first year of publishing the sustainability report, the Group will not provide any comparative data for previous historical periods.

Assurance Statement

Selected information and data presented in this report have been subject to an internal review by our Head of Internal Audit and Risk Management. We aim to enhance our sustainability reporting to provide meaningful disclosures of our ESG performance and welcome any feedback and/or suggestions that would help improve our sustainability efforts from our stakeholders. You may direct the feedback to us at IR@lacmed.com

Sustainability Statement

Overview of the Group and Value Chain

Our key business activities

The Malaysian medical device market is currently undergoing a structural pivot, transitioning from basic procurement-led supply chains to a sophisticated, integrated solutions ecosystem.

For healthcare providers, the strategic mandate has shifted from mere equipment acquisition toward comprehensive lifecycle management. In an environment of escalating clinical complexity and tightening regulatory oversight, the traditional vendor-buyer relationship is no longer sufficient to maintain operational excellence. LAC Med's evolution that spans over 21 years since its inception in 2004, from a medical consumable supplier to an integrated provider of end-to-end medical device solutions serves to emphasize on this maturation shift.

The evolution that the Group has undergone towards a high-complexity service models is propelled by three primary market drivers:

Maturation of Regulatory Requirements

The implementation of the Medical Device Act 2012 (MDA 2012), the Atomic Energy Licensing Board requirement and strict enforcement by the Medical Device Authority (MDA) and Ministry of Health (MOH) have raised the barrier to entry. LAC Med demonstrated a deep compliance expertise, particularly regarding the importation and registration of active medical devices from its inception years.



Technological Sophistication of Diagnostic Equipment

The market has moved from passive consumables or plug and play machines to high-complexity devices—such as Radiographic machines, MRI machines and CT scanners—that require specialized infrastructure planning, shielding, and power considerations, renovation, testing and commissioning that traditional distributors cannot manage. The Group laid its strong foundation in this field as evidenced from its growing revenue segment on the medical devices' integration end-to-end solutions to their customers both in private and public hospitals space.



Operational Efficiency Mandates

To ensure seamless communication across their departments, healthcare providers are increasingly demanding a single point of contact or comprehensive solutions from the medical distributors. Consolidating various stages of facility readiness and device installation and post sales services under one expert partner minimizes the coordination gaps that traditionally lead to project delays. Continuous provision of maintenance support of the medical devices after sales given the Group an extra edge over the rest.



Core Operational Architecture: End-to-End Integration vs. Traditional Distribution

In modern healthcare administration, the comprehensive solution model is a strategic imperative designed to reduce operational friction. By consolidating preliminary planning, infrastructure readiness, and long-term support, healthcare providers eliminate the gaps between facility design and device performance. The Group has a pool of skilled factory trained technical personnel and service engineers or clinical application specialists that can easily understand the customers requirement or specifications due to their medical background.

Sustainability Statement

Overview of the Group and Value Chain (Cont'd)

Core Operational Architecture: End-to-End Integration vs. Traditional Distribution (Cont'd)

The value-add of this integrated workflow is specifically realized through:

Preliminary Planning & Specialized Design

Unlike delivery-only vendors, the Group provides integration work that includes specialized space design and custom interior fit-outs (e.g., lead lining for radiographic rooms) to ensure the facility meets the exact specifications of the equipment.



Infrastructure Integration and Testing/Commissioning

We also manage the Mechanical and Electrical (M&E) works to ensure that the power loads and ventilation are optimized for high-end diagnostic machines and perform the testing and commissioning works.



Post-Installation Support

Utilizing a decentralized network of factory trained service engineers and technical personnel across Peninsular and East Malaysia, the Group ensures prompt localized service and minimized downtime for all its customers.



This architecture is reinforced by the brand equity barriers through collaboration with various established global principle since 2014. Holding authorized distributorships for global tier-one brand such as **Philips, Samsung, Stryker, Abbott, Bayer, LG, and Baxter** for non-competing products creates a defensive moat. These relationships especially on Philips and Samsung, built on decades of regulatory compliance and market awareness, prevent possible competitors from offering equivalent high-end diagnostic suites other than a few other global principles who adopts a direct model with the healthcare providers which are currently our only competitor peers.

Category	Traditional Vendor Model	LAC Med Integrated Model
Coordination Effort	High; requires managing disparate M&E and equipment vendors.	Low; single point of contact for the entire integration lifecycle.
Technical Risk	Significant; risk of infrastructure and equipment incompatibility.	Minimized; end-to-end management includes custom interior fit-outs.
Relationship Depth	Transactional; focused on one-time sales.	Strategic; focused on long-term partnership and brand equity.

This physical infrastructure expertise is now being augmented by digital layers that transform how assets are managed by onboarding software solutions such as Harrison.ai and SwiftMR in 2023 by the Group.

Sustainability Statement

Overview of the Group and Value Chain (Cont'd)

The Digital Value Proposition: Medical Device Asset Management Services (“MEAMS”) and ICT Synergy

In the evolving modern hospital environment, data-driven asset management is a strategic necessity for maximizing the Return on Investment (ROI) of expensive clinical assets. The MEAMS strategy represents a transition toward high-margin, software-led engagement. By utilizing tracking technologies such as RFID and barcodes, the MEAMS platform allows for real-time locating and monitoring, which is particularly vital for loose or mobile equipment that often suffers from low utilization rates.

The digital synergy is further enhanced by provision of ICT integration services, which facilitates workflow interoperability. Specific capabilities include:

Secure Web-Enabled Access

Enabling clinicians to securely access and manage imaging data from any web-enabled device, facilitating remote diagnosis and collaborative care.



Predictive Maintenance Frameworks

Moving beyond reactive repairs by leveraging data from the installed base to predict equipment failure before it disrupts patient care.



Real-Time Asset Locating

Utilizing RFID to monitor the status and movement of mobile diagnostic units across large facility footprints.



SaaS Subscription Model:

Shifting the digital infrastructure cost to a recurring revenue model that aligns with hospital operational budgets.



The Group acknowledged that the shift toward software creates the recurring revenue foundation required for the “as-a-service” business model. Hence, it successfully rolled out the Equipment-as-a-Service (“EaaS”) in 2025 through a substantial contract from a private hospital group and another contract from the public hospitals.

Transitioning to Equipment-as-a-Service (EaaS): Commercial Viability Analysis

The EaaS model represents a fundamental shift from Capital Expenditure (CAPEX) to Operating Expenditure (OPEX) for the healthcare providers. For our customers who are cashflow conscious, the appeal lies in accessing the latest diagnostic technologies such as high-field MRI or healthcare IT solutions without the massive upfront capital barrier on a managed performance modelling.

Here, LAC Med owns the assets, assuming full responsibility for ownership and upkeep. The healthcare provider functions as the Service User, paying a subscription fee. Critically, the EaaS model works on sharing of the risk and reward by both the Customers and the Group. This also ensures that the hospital is never tethered to an outdated diagnostic platform as technology evolves.

Sustainability Statement

Overview of the Group and Value Chain (Cont'd)

Transitioning to Equipment-as-a-Service (EaaS): Commercial Viability Analysis (Cont'd)

Primary Benefits of EaaS:

- Technological agility on access to the latest medical technology without the risk of owning, depreciating, outdated hardware by the Customers.
- Reduced technical burden by minimizing on the need for specialized in-house technical staff as the asset owner which is the Group manages all repairs and upgrades.
- Maximized Clinical Continuity through minimized equipment downtime through bundled maintenance and guaranteed service level agreements.

The EaaS model allows healthcare institutions to preserve capital and improve debt-to-equity ratios by shifting heavy equipment costs off the balance sheet and into the income statement as a predictable, fixed-rate recurrent operating expense.

Our core areas and expertise lies in the diagnostic imaging equipment and devices as one stop solutions run across multiple disciplines:

Planning & consulting



Site preparation



Supply installation, testing & commissioning



Training



Maintenance



Licensing



Radiology

MRI, CT-Scan, x-rays, fluoroscopy



Ultrasound & Digital Imaging

General imaging, OB/GYN, cardiovascular, portable, handheld units



Cardiology

Angiography, echocardiography machines



Critical Care

Critical care devices



Device & Consumables

Intravascular devices, stents & balloons, interventional catheters



Healthcare digital

PACS/VNA, CIS, ECG management, radiology AI solution



Neurovascular

Neurovascular devices



Sustainability – The Way Forward

(A) Environmental Sustainability

LAC Med embeds environmental responsibility into its operations by raising internal awareness and ensuring strict compliance with environmental regulations. The Group's environmental strategy is driven by two main operational aspects:

i. Alignment with Principal Suppliers

The Group aligns its environmental goals with key brand owners like Philips and Samsung. Philips integrates sustainability by designing medical devices focused on energy efficiency, the use of recycled/recyclable materials, and the reduction of hazardous substances. Philips also champions a circular economy through programs where medical equipment is refurbished, harvested for parts, or responsibly recycled.

Similarly, Samsung actively reduces energy consumption across its manufacturing processes and designs highly efficient, durable devices using recycled materials, while implementing e-waste collection systems.

ii. Sustainable Proprietary Solutions

Through its wholly owned subsidiary company, GoCloud Solutions, the Group offers a power and environmental monitoring system called GoDetect. This software monitors critical parameters such as temperature and humidity, ensuring medical devices operate under optimal conditions. This proactive monitoring helps extend the lifespan of the equipment and lowers the frequency of maintenance. It also significantly reduces medical equipment waste, contributing to both operational efficiency and environmental sustainability.

(B) Social Responsibility

Recognising its critical role in the healthcare ecosystem, the Group focuses on contributing positively to society by advancing healthcare access and improving the quality of life for local communities. Several initiatives carried out were as follows:

i. Community Engagement with Various Stakeholders

The Group actively encourages community involvement by supporting various charitable initiatives or jointly participated in events organised by the private and public hospitals, private clinics through offerings of free screenings or providing complementary demo on new assets launched. Staff members are encouraged to volunteer their time in community service events, including health awareness campaigns. Clinical application specialists provide free screenings to employees of the Group under their yearly program and to communities grouping by demographics throughout the regions in West Malaysia whenever requested by the Customers.

ii. Workforce Health, Safety, and Diversity

The Group is dedicated to maintaining high standards of workforce health, safety, diversity, and ethical labour practices. To practically enforce these commitments and ensure a secure workplace, the Group has established a dedicated Occupational, Safety and Health Committee aimed at continuously fostering a safe working environment for all our employees.

(C) Corporate Governance

The Group maintains high standards of corporate governance, accountability, and transparency in accordance with the Malaysian Code on Corporate Governance 2021 ("MCCG") and Bursa Securities MMLR.

Our Board provides leadership and oversight to ensure the Group operates in accordance with the highest ethical standards. The Board Charter ("the Charter") which incorporates the principles of the MCCG and the Bursa Securities MMLR, serves as a guide for the Directors. The Charter formalizes the Boards Members' roles and responsibilities to streamline and strengthen governance practices from the perspectives of accountability, sustainability, transparency, and integrity.

Sustainability – The Way Forward

(C) Corporate Governance (Cont'd)

The Board further established the following committees to assist in the execution of its duties and responsibilities. These Board Committees are similarly directed by corresponding Terms of Reference ("TOR"), which outline their objectives and responsibilities.

Audit and Risk Management Committee

Provides oversight on financial reporting process, audit process, internal control systems, and compliance with relevant laws and regulations.

Safeguard the Group by overseeing risk identification, assessment, mitigation, and reporting to the Board.

Nomination and Remuneration Committee

Annually review the performance of the Board members as laid out under the Fit and Proper Policy

Review performance of Key Senior Management and on how they address material sustainability risks and opportunities through their KPIs.

All performance evaluations of the board are carried out independently by the committee which is headed by a Senior Independent Non-Executive Director that holds directorship in several other public listed companies in similar capacity.

On Board composition and oversight, the Group complies with key MCCG practices by ensuring that half of the Board members are independent directors, and at least 30% of the Board comprises women. All the Board members are non-executive (all appointed on 15 April 2025) with exception of our Group CEO who holds an executive role (appointed on 22 November 2024). Board members are selected based on stakeholder expectations, diversity of perspectives, independence of judgment, and competencies that strengthen the organisation's governance and impact.

On the Group's remuneration policy, all non-executive directors were paid based on monthly fixed fee and meeting allowances where applicable. The Executive Director was paid with monthly salary, discretionary bonus and other benefits in kind. Fixed monthly salary for the Executive Director and Key Senior Management is set according to the nature of job in the position which includes the responsibility and complexity, level of skills and experience and other market conditions.



Sustainability – The Way Forward

(C) Corporate Governance (Cont'd)

A formal Sustainability Policy serves as the strategic foundation for the Group's ethical conduct and long-term value creation. This is supported by a comprehensive suite of internal controls, which include:

An Anti-Bribery and Anti-Corruption Policy (compliant with the Malaysian Anti-Corruption Commission Act 2009) and a Code of Conduct and Ethics to prevent unethical practices.



Policies governing Conflict of Interest, Fit and Proper standards, and Gender Diversity to uphold corporate integrity and inclusivity.



A Whistleblower Policy to enable transparent grievance reporting and ethical oversight.



Business Continuity Management and Enterprise Risk Management frameworks to promote operational resilience.



A Safety, Health and Environment Policy, alongside Personal Data Protection and Regulatory Affairs Policies to ensure strict regulatory compliance.



Governance structures are continuously refined using feedback from various stakeholders. The Group conducts annual customer satisfaction surveys, engages suppliers through targeted training sessions and conferences to ensure shared sustainability standards, and incorporates employee feedback through annual performance appraisals and internal dialogue platforms.

LAC Med ensures its corporate governance and sustainability governance are in proper place by including defined structures, roles, and responsibilities and forming various committees to ensure compliance with the corporate vision, mission, policies, goals and best practices as shown below:

Board of Directors (BOD)

- Responsible for sustainability strategies, policy, initiatives and performance.
- Endorse materiality matrix and Sustainability Statement

Executive Committee (EXCO)

- Overseeing and implementing the Group's sustainability approach and performance. Develop sustainability KPIs and targets

Sustainability Working Group (SWG)

- Report progress to EXCO
- Proposed sustainability initiatives and programs, collect and monitor data



Sustainability – The Way Forward

(C) Corporate Governance (Cont'd)

Our sustainability governance structure is composed of three levels, which is led by our Board. Through this structure, the sustainability strategies and proposals receive the appropriate degree of attention and consideration from the Board. The EXCO oversees the implementation of sustainability initiatives and report the progress to the Board on half yearly basis. The SWG is tasked with monitoring and collecting sustainability data and implementing the initiatives, wherein the SWG members comprises from a diverse range of business unit representatives across the Group and will report to the EXCO on its progress or updates by end of every quarter. Finally, the Board is responsible to review and approve strategies and policy. It also reviewed the material topics which are identified by the Head of SWG whereby the process of conducting the materiality assessment is shown below:



WAYS TO REMEDIATE NEGATIVE IMPACTS

We value the trust that our stakeholders put in us and strive to conduct our business in a fair and honest way that embodies the values we believe in. LAC Med has established a Code of Conduct and Ethics (the "CoCE") that defines the values, principles, standard and norms and behaviour that guide how we manage our business and our interactions with our clients, suppliers and other stakeholders.

We maintain a zero-tolerance policy towards any form of fraud, bribery and corruption. Employees are expected to embrace these values and adhere to our Anti Bribery and Anti-Corruption Policy and the Whistle-Blowing Policy in the course of performing their work and we will not hesitate to enforce strict disciplinary action against any violation of our policies. To raise awareness on the importance of anti-corruption, this was communicated to all employees through the CoCE which is uploaded onto the employees' mobile apps and through regular briefings, newsletters or bulletins shared on awareness of all the policies, while new joiners undergo the necessary mandatory training. For the suppliers and sub-contractors, we held several online briefing sessions to our stakeholders to brief them on the Anti-Bribery and Anti-Corruption Policy and channel of communication available to report any grievances. Employees are required to fully disclose any circumstances likely to give rise to conflicts of interest, and disallowed from giving or accepting any gifts, which might improperly influence the normal business relationship with any supplier or customer. All company business dealings are based on a 'fair deal' basis. All employees shall impress upon business partners on the high business ethics standards, and refrain from providing or accepting bribes and kickbacks.

Sustainability – The Way Forward

WAYS TO REMEDIATE NEGATIVE IMPACTS (CONT'D)

Our Whistleblowing Policy acts as a guide to address potential incidences of misconduct or non-compliance. It provides a safe channel for employees or members of the public to report incidents without fear of reprisal. The Group encourages using the available channels to report any misconduct or malpractice including bullying or harassment. These channels include:

Raising the concerns with supervisors or management



Submitting a complaint to our dedicated whistleblower email address



Engaging directly via email or through our website with our Senior Independent Non-Executive Director or Audit Committee Chairman.



Reports are kept anonymous and are directed to either the Chairman of the Audit and Risk Management Committee or the Head of Internal Audit and Risk Management. There was no report lodged in FYE2025.

COMPLIANCE WITH APPLICABLE LAW AND REGULATIONS

Save for the non-compliances as disclosed below, our Group is in compliance with the relevant laws, regulations, rules or requirements governing the conduct of our business and environmental issues which may materially affect our business or operations:

- (i) additional tax and penalties above amounting to a total of RM77,700 have been fully settled in FYE2025 which arose from underestimation of tax resulting in actual tax payable higher than the initial estimates of tax payable;
- (ii) underpayment of service tax payable under the Service Tax Act 2018 and penalties amounting to a total of RM895,262 which have been fully settled, for past years non compliances.

The above non-compliance did not have a material adverse impact to the Group's business operations and financial conditions and steps have been taken to prevent such recurrence of similar non-compliance.

APPROACH TO STAKEHOLDER ENGAGEMENT

We maintain and foster strong relationships with stakeholders as it contributes to a strong sense of confidence and trust in us. We engage them on a regular basis through various platforms to better understand and address their needs and concerns. Our stakeholders that have significant impact on us and are significantly impacted by our Group's operations are depicted below:

Stakeholder Groups	Purpose to Engage	Focus Areas	Engagement Method and Frequency
Shareholders and Investors	Regular disclosure of Group performance ensures shareholders have the necessary information to evaluate their investments effectively	- Growth trajectory - Sustainability Performance - Market diversification - Risk management	- Press releases (periodic) - Announcements (quarterly) - Media conference (as needed) - Annual report (annual) - Annual General Meeting (annual) - Analyst/investor meetings (quarterly/as needed)

Report Cases of Concerns and Misconduct Behavior

0 case



Sustainability – The Way Forward

APPROACH TO STAKEHOLDER ENGAGEMENT (CONT'D)

We maintain and foster strong relationships with stakeholders as it contributes to a strong sense of confidence and trust in us. We engage them on a regular basis through various platforms to better understand and address their needs and concerns. Our stakeholders that have significant impact on us and are significantly impacted by our Group's operations are depicted below:

Stakeholder Groups	Purpose to Engage	Focus Areas	Engagement Method and Frequency
Customers	Ensuring customer satisfaction underpins our success, with their continued trust in our products and support for our initiatives fuelling growth and enabling us to foster sustainable communities	• Supply chain reliability • Technical support and training • Innovation and partnership • Product quality and safety • Value and cost efficiency	• Corporate website and social media channels (always) • Customer Satisfaction Survey on pre and post sales level (annually) • Marketing events and workshops at customer's premises or at our corporate office (periodic) • Corporate and Brand campaigns (regularly)
Employees	Employees remain central to our continued success, and we are committed to equipping them with the resources and opportunities to thrive, alongside ensuring their health and safety.	• Customer service and relationship management • Product knowledge and expertise • Health, safety and well being • Continuous learning and innovation	• Management meetings with employees (quarterly) • Salary Benchmark Survey (annually) • GCEO Townhall Meetings (annually) • Leadership, soft skills, technical and non-technical training programmes
Regulators	By keeping pace with changes in regulations and legal frameworks, we uphold ethical standards and safeguard against non-compliance.	• Licensing and registration • Products certification and standards • Documentation and reporting	• Regulatory communication channel • Industry consultation and trainings • Product negotiation & licensing • Pre-market engagement
Suppliers and Contractors	Collaborating with supply chain vendors and partners strengthens business effectiveness while embedding sustainability principles across our value chain.	• Supply chain reliability • Cost efficiency and value creation • Quality assurance and standards • Innovation and sustainability practices	• Contract negotiation • Supplier registration and evaluation • Periodic visits to supplier/principles main factory which are located overseas • Attending events hosted by suppliers during major exhibitions • Regular meetings

Sustainability – The Way Forward

MATERIALITY MATRIX

The process begins with identifying actual and potential sustainability impacts for the Group's operations, which are then prioritized to highlight the most significant issues for reporting.

Engaging key stakeholders throughout the materiality assessment enables us to understand risks and opportunities, anticipate emerging challenges and align our strategies effectively with evolving sustainability landscape. This approach ensures we remain relevant and stay ahead of sustainability challenges, addressing material issues that matter most to our stakeholders and the organization.

The Group conducted its first materiality assessment in FYE2025. The assessment focused to identify sustainability-related matters that are reasonably expected to influence business performance and resilience. The assessment incorporated an online survey to actively engage internal stakeholders as a priority as shown in the chart below. Our Materiality Matrix builds on, maintaining alignment with current sustainability priorities and stakeholder expectations while staying attuned to emerging challenges and driving long-term value for stakeholders.

STAKEHOLDER PRIORITISATION FOR LAC MED BERHAD



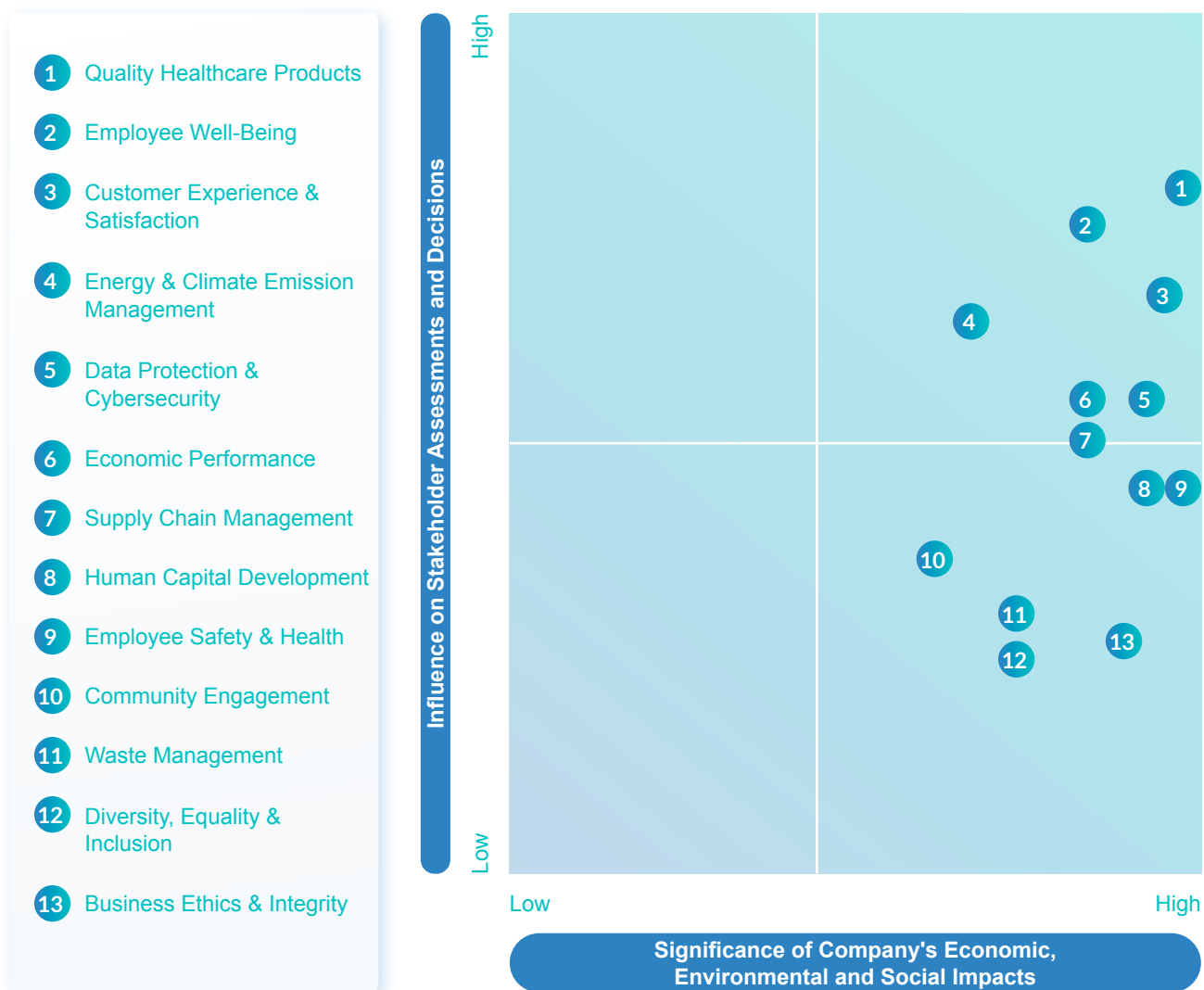
Moving forward we will engage with other external stakeholders to provide their assessment on our materiality matters to ascertain if there is any gap between the internal and external party's feedback.

The outcome of the Materiality Matrix assessment showed that the top five material sustainability matters are quality healthcare products, employees' well-being, customer experience and satisfaction, energy and climate emission management and data protection and cybersecurity.

Sustainability – The Way Forward

MATERIALITY MATRIX (CONT'D)

MATERIALITY MATRIX FOR LAC MED BERHAD



MANAGING OUR RISKS AND OPPORTUNITIES

At LAC Med, risk management is integral to our approach to sustainability. We focus on high-priority material matters that have the greatest impact on our business and stakeholders, identifying both risks and opportunities across financial, operational, regulatory and ESG considerations. By proactively assessing these matters and embedding risk awareness into decision-making, we strengthen operational resilience, safeguard stakeholder interests, and create value. This approach enables us not only to mitigate potential adverse impacts but also to seize opportunities that support sustainable growth and long-term ESG objectives.

Overview of Sustainability-Related Risks and Opportunities

MANAGING OUR RISKS AND OPPORTUNITIES (CONT'D)

Material Matters	Risks	Opportunities
 Quality Healthcare Products	Non-compliance with regulations, product defects, supply chain disruptions, high costs, and environmental impacts.	Improve patient outcomes, build stakeholder trust, enhance operational efficiency, and implement sustainable practices.
 Economic Performance	Competitive pressure and evolving customer expectations, reliance on key accounts and uncertainties in Indonesia expansion.	Broader product & value-added services, grow recurring revenue via cross-selling, improve operational efficiency and margin resilience
 Human Capital Development	Maintain diversity and equity as the workforce grows, ensuring training programs keep pace with evolving business needs, addressing employee engagement and well-being consistently, and managing occupational health and safety risks.	Foster an inclusive workplace with strong gender representation, investing in targeted training and upskilling programs, and promoting employee engagement, well-being, and safety.
 Customer Experience & Satisfaction	Service delays, product quality issues, regulatory non-compliance, and insufficient integration of sustainability into customer interactions.	Foster repeat business, enhancing hospital trust, promoting employee engagement and encourage the adoption of sustainable solutions that reduce environmental impact and strengthen ESG credibility.
 Energy and Climate Emission Management	High investment costs, regulatory non-compliance, and reputational impacts if emissions are not effectively managed.	Implement energy efficiency initiatives, adopting renewable solutions and optimise logistics to reduce carbon exposure and create long-term financial and environmental value.
 Data Protection and Cybersecurity	Data breaches, cyber threats, unauthorised access and non-compliance with data protection regulations, which may result in financial penalties, operational disruptions and reputational damage.	Implement robust cybersecurity measures, improving data management systems and foster a culture of data responsibility

QUALITY HEALTHCARE PRODUCTS



Operating in a regulated healthcare environment, the Group acknowledges the critical importance of regulatory compliance, product safety and ethical conduct. Enforcement actions by authorities against unlicensed medical device distribution highlight the risk associated with non-compliance and reinforce the need for strong governance and internal controls.

Overview of Sustainability-Related Risks and Opportunities

QUALITY HEALTHCARE PRODUCTS (CONT'D)

Impact Statement

Delivering high-quality healthcare products is central to our role as a medical device distributor. This material matter carries both actual and potential impacts across the economy, environment, and people:

	Positive	Negative
Economy	Reliable, certified products strengthen hospital efficiency, improve patient outcomes, and drive sector growth through innovation and job creation.	High costs of advanced devices may strain healthcare budgets, while supply chain disruptions or regulatory non-compliance could result in financial penalties and reputational risks.
Environment	Adoption of sustainable packaging, energy-efficient devices, and responsible sourcing reduces environmental footprint and encourages ESG practices across the supply chain.	Production, logistics, and disposal of medical devices generate waste and emissions, with improper disposal posing environmental hazards.
People	High-quality products enhance patient safety, treatment outcomes, and public health, while building trust among hospitals, healthcare professionals, and communities.	Poor product quality or device malfunction could harm patients, erode stakeholder confidence, and limit accessibility for underserved communities.

The Group was not involved in or affected by any of the negative impact highlighted above throughout FYE2025. By prioritising quality healthcare and products, we contribute to economic resilience, environmental responsibility, and improved societal well-being. At the same time, we recognise the risks of cost pressures, waste generation, and potential patient harm if standards are not upheld. Continuous monitoring, innovation, and stakeholder engagement are therefore essential to maximise positive impacts and mitigate negative ones.

Among the innovation initiatives undertaken were:

Use eco-friendly materials (bioplastics, recyclable metals) in devices and packaging



Minimalist, reusable packaging to reduce medical waste



Take-back programs for hospitals to return used devices for safe recycling into circular economy



Optimise logistics routes to reduce carbon emissions from distribution



Provide digitalised solutions to hospitals on setting up central depository system to store medical records and minimise using print out reports

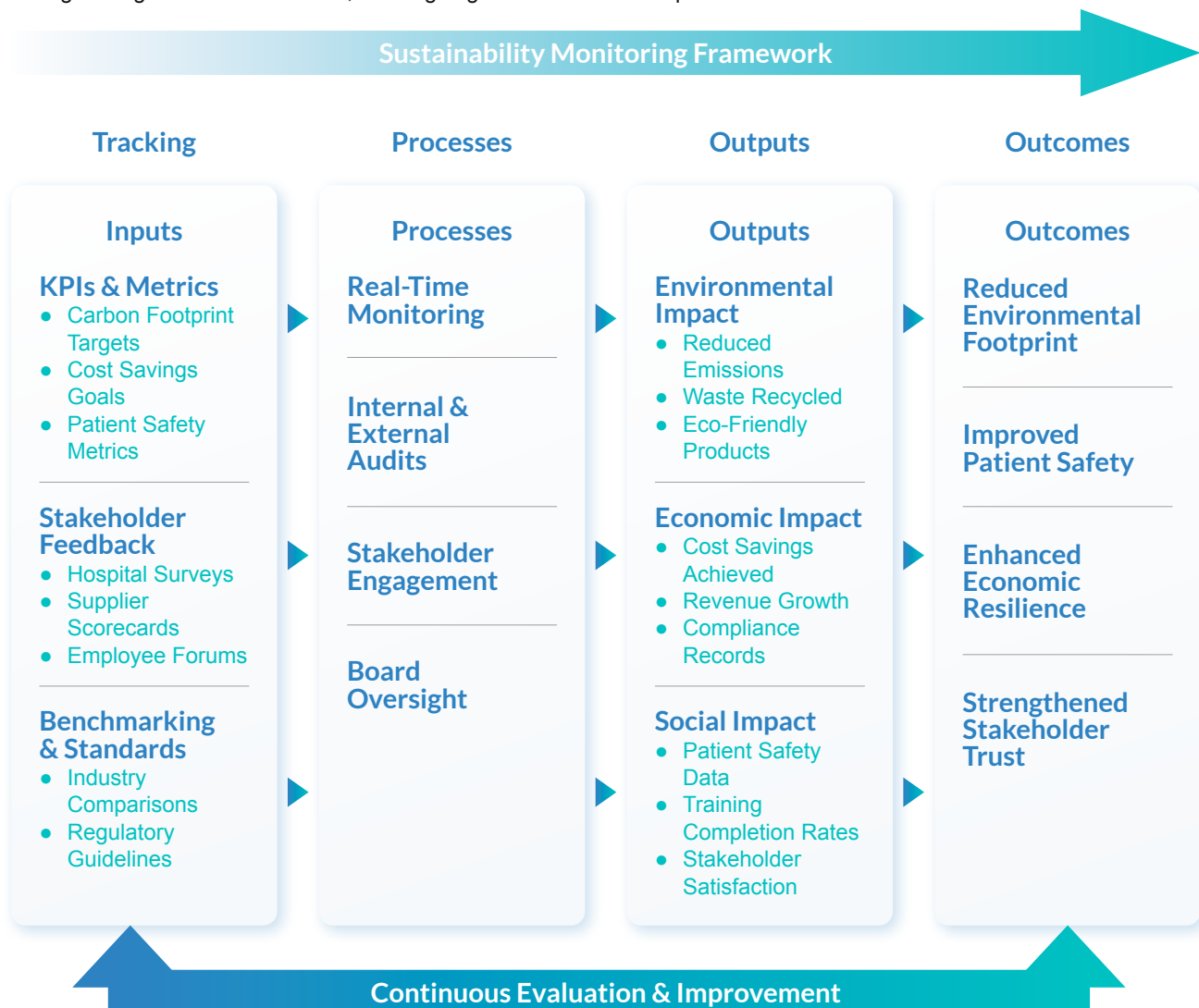


Overview of Sustainability-Related Risks and Opportunities

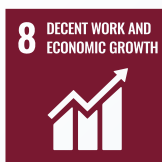
QUALITY HEALTHCARE PRODUCTS (CONT'D)

Impact Statement (Cont'd)

Effectiveness of our innovation initiatives is tracked through defined metrics, real-time monitoring systems, stakeholder engagement, and governance oversight. This ensures measurable progress in reducing environmental impact, strengthening economic resilience, and aligning with stakeholder expectations.



ECONOMIC PERFORMANCE



Value Creation in FYE2025

The Group recorded a commendable economic performance for FYE2025, demonstrating resilience amid a challenging and evolving operating landscape. Revenue growth was supported by sustained demand across its core business segments, particularly in medical device distribution, infrastructure integration and after-sales support services. The continued execution of long-term contracts, coupled with efforts to diversify its product portfolio and expand service offerings, contributed to a more balanced and recurring revenue base. This strategic shift towards service-oriented and technology-enabled solutions has enhanced earnings visibility and strengthened the Group's ability to deliver consistent financial results.

Overview of Sustainability-Related Risks and Opportunities

ECONOMIC PERFORMANCE (CONT'D)

Value Creation in FYE2025 (Cont'd)

During the year, the Group maintained a disciplined approach to cost management and operational efficiency, enabling it to mitigate the impact of inflationary pressures, supply chain disruptions and foreign exchange fluctuations. Through ongoing optimisation of procurement processes, resource allocation and project execution, the Group was able to preserve margins and sustain profitability. Investments in digitalisation and operational capabilities further supported productivity improvements and service delivery standards.

Direct Economic Value Generated and Distributed

	RM'000
Revenue	201,655
Operating costs	143,080
Employee wages and benefits	17,644
Payments to providers of capital	725
Payments to government	7,649

Looking ahead, the Group remains focused on strengthening its economic fundamentals by expanding its regional footprint, enhancing recurring income streams and pursuing strategic partnerships. While external uncertainties may persist, the Group is confident that its strong business model, coupled with prudent financial management and a commitment to sustainability, will support long-term value creation for shareholders and broader stakeholders alike.

The Market Share

Strengthen Malaysia market share via expanded range of products and services to better address the evolving needs of the healthcare sector. This includes enhancing its portfolio of medical devices, consumables and value-added services, such as maintenance, technical support and digital integration, enabling the Group to remain competitive, deepen customer reach and capture greater market opportunities.



The Clientele Base

Drive account expansion within existing customers through targeted cross-selling initiatives. By offering a broader suite of products and integrated solutions, this approach not only enhances customer satisfaction and retention but also increases share of wallet across key accounts. Through continuous engagement, proactive identification of opportunities, and a deep understanding of client requirements, the Group is able to deliver tailored solutions that meet evolving needs. This, in turn, strengthens long-term partnerships and supports the generation of sustainable and recurring revenue streams from its established clientele base.



The Stabiliser and Margin Catalyst

Increase recurring income streams by growing sales of consumables, devices, IT solutions, EaaS solutions to boost contributions. By shifting towards a more service-oriented and annuity-based revenue model, the Group is able to generate more predictable and sustainable income while reducing reliance on one-off projects. This approach not only supports improved margin consistency but also strengthens long-term customer engagement and overall financial sustainability.



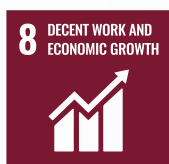
The Frontier

Unlock new growth opportunities in Indonesia by expanding its service coverage to three key regions and broadening its portfolio of offerings. A key milestone in this expansion is securing the distributorship agreement with Alpinion Medical System Co., Ltd for the distribution of ultrasound equipment in Indonesia, further enhancing the Group's product portfolio and market presence. Through these initiatives, the Group seeks to strengthen its foothold, increase revenue contributions from Indonesia and position itself for sustainable long-term growth in this emerging market.



Overview of Sustainability-Related Risks and Opportunities

HUMAN CAPITAL DEVELOPMENT



We are committed to cultivating an inclusive workplace as we operate in a multiracial nation. We embrace equal-opportunity employment practices with zero tolerance for discrimination on account of age, gender, ethnicity, religion, sexual orientation, national and social origin, disability or other defining factors. The Group believes building a team from diverse backgrounds, experiences and perspectives will generate a stronger and more innovative workforce. Our Malaysian workforce consists entirely of local employees, and we do not employ any foreign workers or outsourced labor on either a full-time or part-time basis.

Employees Demographics

As at 31 December 2025, LAC Med employed a total of 100 staff in Malaysia. The breakdown of employees by age, gender and employee category based on headcount is illustrated below.

Gender and Age Diversity by Employee Category

LAC Med is committed to develop our employees and provide them with opportunities to excel within the organisation. We uphold the gender diversity and inclusivity workforce as per our Gender Diversity Policy, with a balanced gender composition, where females represent approximately 46% of our total employees.

In recognising the value our employee brings in FYE2025 we provided improved benefits and welfare that promotes their continuous well-being that enables them to achieve their fullest potential.

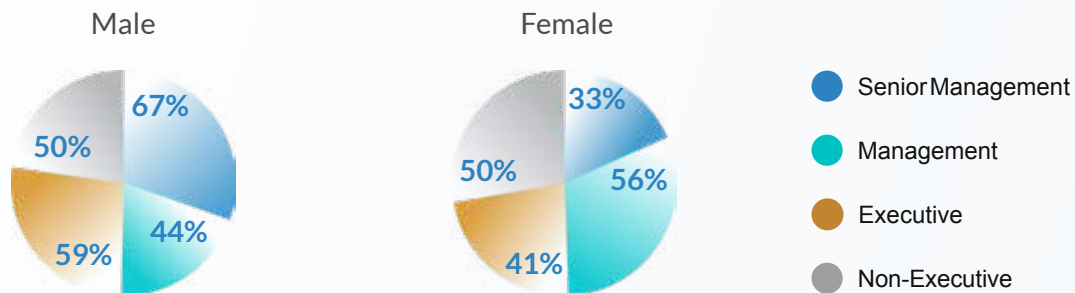
Employee Category	Gender Diversity		Age Diversity		
	Female	Male	Below 30	Between 30 - 50	Above 50
Senior Management	33%	67%	0%	67%	33%
Management	56%	44%	0%	85%	15%
Executive	41%	59%	36%	60%	4%
Non-Executive	50%	50%	50%	50%	0%
Total	46%	54%	22%	69%	9%

Overview of Sustainability-Related Risks and Opportunities

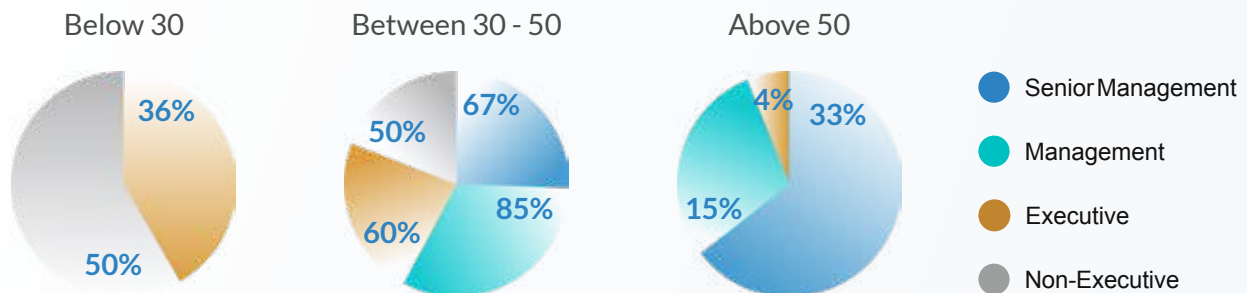
HUMAN CAPITAL DEVELOPMENT (CONT'D)

Gender and Age Diversity by Employee Category (Cont'd)

Percentage of Employees by Gender



Percentage of Employees by Age Group



Type of Employment Category

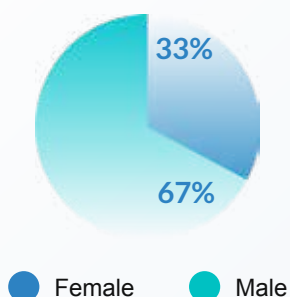
Employees under contract comprised only 7% of the Group's total workforce in Malaysia as at 31 December 2025.



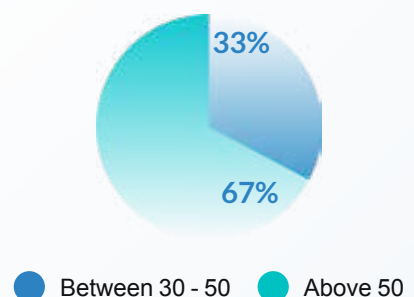
Gender and Age Diversity of Board of Directors

In line with the MCCG, the Group is committed to maintaining a diverse Board, including achieving at least 30% female representation to promote balanced perspectives and effective decision-making. During the year, the Board comprised 33% female members.

Percentage of Board Members by Gender



Percentage of Board Members by Age

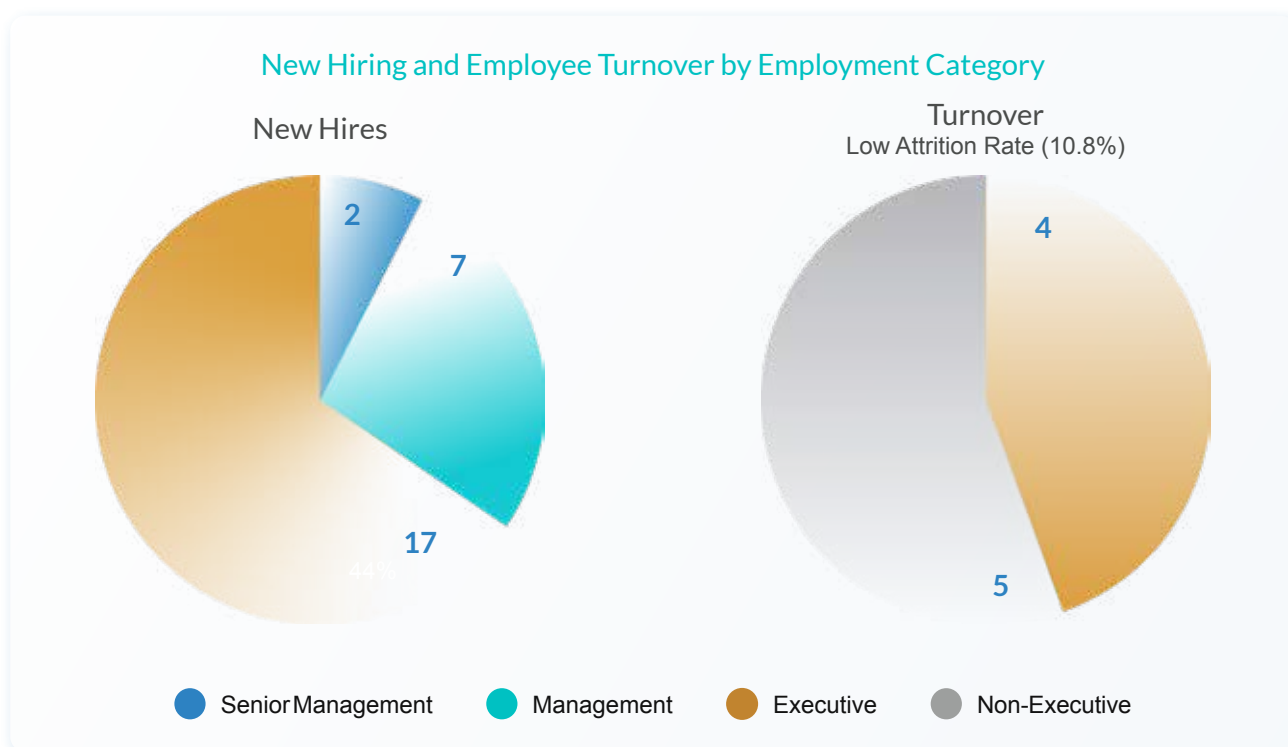


Overview of Sustainability-Related Risks and Opportunities

HUMAN CAPITAL DEVELOPMENT (CONT'D)

New Hiring and Employee Turnover by Employment Category

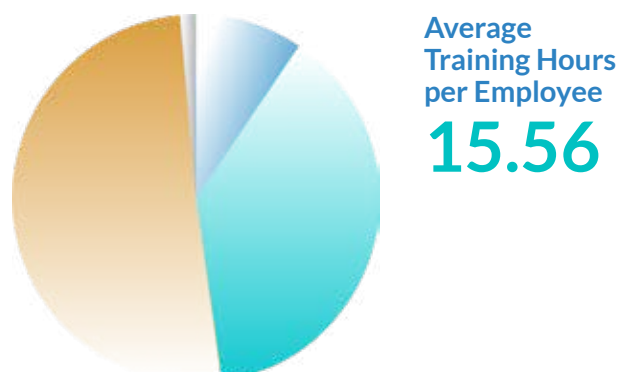
At the beginning of FYE2025, the Group had a total headcount of 84 employees across Malaysia, which grew to 100 as at 31 December 2025, driven by the hiring of 26 new employees. Staff attrition remained low, averaging 10.8% during the year under review.



Training Development

Human capital development remains a key priority for the Group, with training hours serving as an important indicator of our ongoing investment in employee capability and skills enhancement. These training programs are provided to broaden staff's knowledge, develop skillsets, and improve competencies.

Employee Category	Total Training Hours
Senior Management	148
Management	597
Executive	792
Non-Executive	19
Total	1,556



Overview of Sustainability-Related Risks and Opportunities

HUMAN CAPITAL DEVELOPMENT (CONT'D)

Employees Engagement

The Group aims to recognise and appreciate our employees in building a conducive work environment. We conduct regular quarterly engagement sessions to foster good relationships and improve morale and productivity, as well as organise various sports and recreation activities which promotes employee well-being and encourages team bonding. We also hold birthday celebrations and present staff with small token of appreciation and acknowledges the outstanding staff performer for the respective quarter which is nominated and voted by all employees and management alike.

At the beginning of every year the Group organizes a townhall session where our Group CEO sets the tone for the year ahead and speaks about the milestones that LAC Med has achieved in the immediate preceding year and how he sees a positive outcome when the team works together to support one another with new targets ahead of the coming year.

Fostering A Safety Culture

The Group's Occupational, Safety and Health ("OSH") Policy set objectives and guidelines that ensure that the health and well-being of our staff are taken care of in the workplace. This policy describes the procedures, guidelines and best practices that our staff are required to adhere to in order to mitigate health and safety risks in the workplace. A specialised OSH Committee comprising employer and employee representatives is formed and have eight members in it. This year, we provided our employees with specialised training and safety talks to ensure their health and safety on the job as it is our first year of setting up the OSH Committee which conducted an overall safety inspection across our corporate office.

At LAC Med, we have implemented a systematic process to minimise unsafe work situations. Employees are required to immediately alert their supervisor or head of department upon encountering a potentially dangerous situation whilst at work or on the way commuting to work or client's premises. All potential safety issues must be resolved before employees are allowed to resume work. Following the chain of command, the OSH committee will officially launch an investigation on the incident and record all details in an investigation report, and follow-up action will be conducted by relevant authorities where necessary.

The general well-being of our employees is also supported through annual health screenings and consultations at company approved clinics. We also collaborate with external service providers to organise outdoor activities for our employees to participate in during working hours such as the tree planting initiatives and visit to the home orphanage.

Annual OSH training is conducted, where we cover topics including training for management staff, first aid and CPR training for designated employees.

Percentage of employees received training on anti-corruption by employee category

The Group organised a training on Corporate Liability on Corruption – Awareness on 10 November 2025, attended by 74 employees, reinforcing the importance of ethical conduct and compliance with anti-corruption laws.

Work-related fatalities and lost time incident rate

Total number of hours worked
195,530

Number of work-related fatalities
0

Number of recordable work-related injuries
1

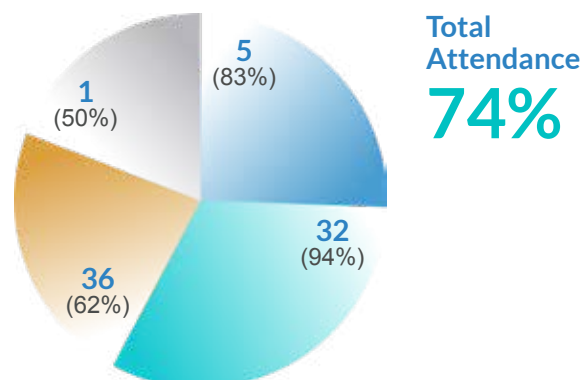
Lost time incident rate (LTIR)*
1.02

Overview of Sustainability-Related Risks and Opportunities

HUMAN CAPITAL DEVELOPMENT (CONT'D)

Percentage of employees received training on anti-corruption by employee category

Employee Category	Number of attendance
● Senior Management	5
● Management	32
● Executive	36
● Non-Executive	1
Total Number	74



LAC Med is centred on providing training and upskilling opportunities that cater to the diverse professional needs of our workforce. We believe that attracting, developing and retaining top-tier talent is a direct reflection of our values as a responsible organisation. Therefore, we invest in programs that range from technical certifications to continuous development. By equipping our team with the necessary tools and knowledge to adapt to demanding industry, we ensure the Group remains agile and resilient. Our strategy focuses on identifying skill gaps early and providing targeted learning pathways.

As we continue to build a future-ready workforce, the Group will strengthen its efforts to attract and retain top-tier talent by fostering a culture of continuous learning and high engagement. We aim to ensure that our investments in human capital are both targeted and effective. By prioritising employee growth and maintaining a supportive, knowledge-driven environment, we ensure the Group remains both an employer of choice for talented professionals and a partner of choice for our global principals and healthcare customers

CUSTOMER EXPERIENCE & SATISFACTION



Customer experience and satisfaction have wide-ranging impacts: they drive economic growth, strengthen brand reputation, and improve patient outcomes, while also carrying risks such as operational disruptions, environmental waste, and stakeholder distrust if expectations are not met. Continuous engagement, innovation, and sustainability integration are essential to maximise actual and potential positive impacts and mitigate negative ones explained herein:

	Positive Impact	Negative Impact
Economy	- Strong customer satisfaction drives repeat business, revenue growth, and market competitiveness; - Positive experiences enhance brand reputation, attracting new hospital clients and investors; - Efficient service reduces hospital downtime, improving healthcare system productivity.	- Poor customer experience can lead to loss of contracts, reduced market share, and reputational damage; - Miscommunication or delays in service may disrupt hospital operations, increasing costs; - Failure to meet regulatory expectations could trigger regulatory scrutiny or financial penalties.

Overview of Sustainability-Related Risks and Opportunities

CUSTOMER EXPERIENCE & SATISFACTION (CONT'D)

	Positive Impact	Negative Impact
Environment	- Customer demand for sustainable solutions encourages adoption of eco-friendly packaging and greener logistics; - Satisfaction with sustainability initiatives strengthens ESG credibility and supply chain resilience.	- Poor planning and coordination of delivery schedules may increase carbon emissions from logistics; - Excessive packaging to reassure customers could generate unnecessary waste; - Failure to integrate sustainability into customer experience risks stakeholder criticism.
People	- High satisfaction improves hospital trust, ensuring patients receive safe, reliable devices; - Builds stronger relationships with healthcare professionals, fostering collaboration and innovation; - Enhances employee pride and engagement when customers value their service.	- Poor product quality or service failures could harm patients and erode hospital confidence; - Dissatisfied customers may spread negative perceptions, affecting the Group's reputation risk; - Lack of responsiveness to feedback undermines stakeholder trust and long-term partnerships.

During the year under review, the Group was not involved in any negative impacts through its activities with all their customers.

We commit to our customers by upholding the following principles:

Quality & Safety First

We deliver only certified, reliable, and safe medical devices, backed by rigorous quality assurance and continuous monitoring.



Integrity & Compliance

We operate with full transparency, adhering to healthcare regulations and ethical standards at every stage of distribution.



Prompt Responsive Service

We provide timely delivery, effective problem-solving, and proactive communication to ensure seamless customer experience.



Innovation & Value

We introduce new technologies and solutions that enhance patient care, hospital efficiency, and cost effectiveness.



Partnership & Support

We build long-term, trust-based relationships with hospitals and healthcare professionals, offering training and technical support to maximise product use.



Overview of Sustainability-Related Risks and Opportunities

CUSTOMER EXPERIENCE & SATISFACTION (CONT'D)

Our risk management approach not only mitigates potential negative impacts but also unlocks opportunities as shown in the table below. By embedding sustainability into our operations, we reduce environmental footprint, enhance patient safety, strengthen customer loyalty, and build long-term trust with stakeholders.

	Potential Negative Impact	Mitigation Action	Opportunity Created
Economy	Supply chain disruption, compliance fines, customer dissatisfaction	Diversify suppliers, strengthen compliance systems, invest in CRM	Greater resilience, stronger customer loyalty, enhanced investor confidence
Environment	High carbon emissions, packaging waste, landfill accumulation	Green logistics, recyclable/biodegradable packaging, device take-back programs	Reduced footprint, ESG leadership, improved brand reputation
People	Patient harm, loss of trust, low employee morale, inequitable access	Strengthened QA protocols, transparent communication, employee training & wellness, equitable pricing models	Improved patient safety, stronger stakeholder trust, engaged workforce, broader healthcare access

We communicate the outcomes of stakeholder engagement through formal reports, targeted briefings, and ongoing dialogue with hospitals, suppliers, employees, and investors. This ensures stakeholders see how their concerns have directly informed our actions, reinforcing transparency, accountability, and trust.

ENERGY & CLIMATE EMISSION MANAGEMENT



Energy and climate emission management has wide-ranging impacts: it reduces costs, strengthens competitiveness, and mitigates environmental harm, while also carrying risks such as high investment costs, regulatory penalties, and reputational damage if not effectively managed.

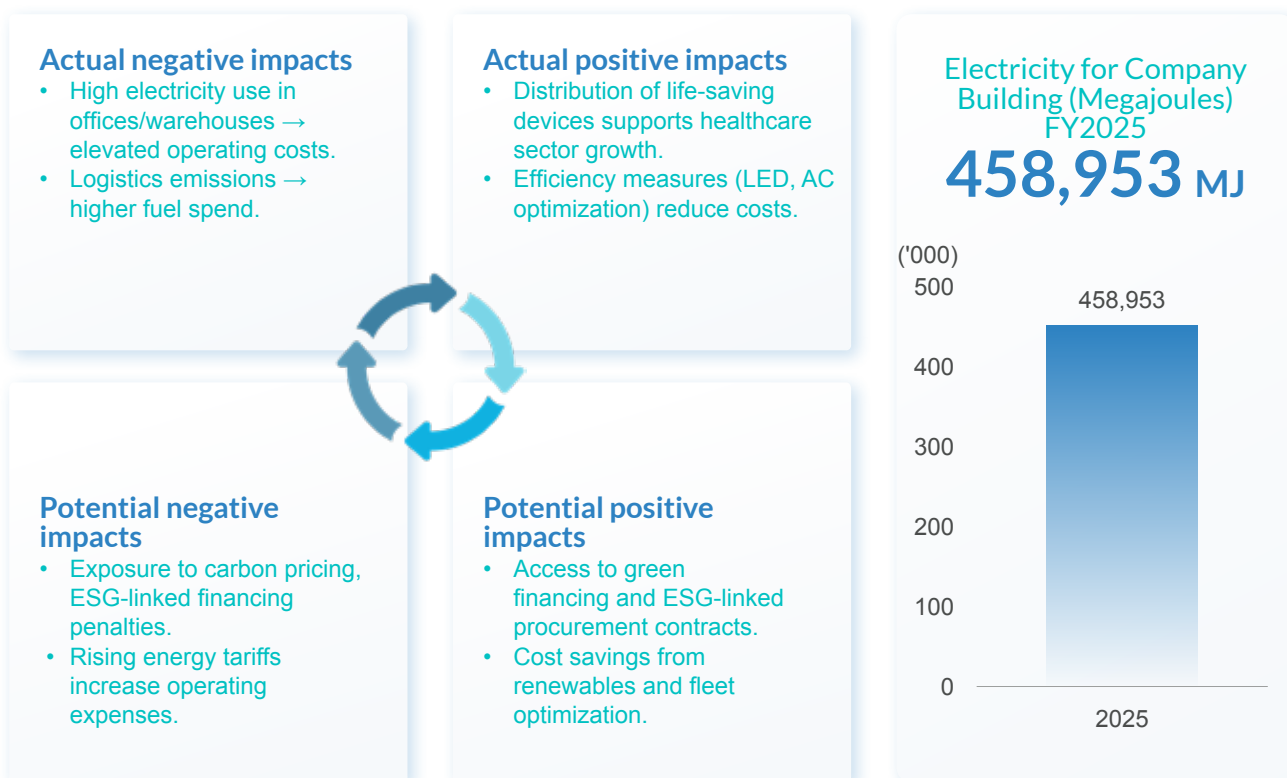
Managing Green House Gas (“GHG”) emissions is essential to addressing climate-related systematic risks, enhancing operational efficiency and meeting evolving stakeholder expectations. As the Group’s operations is mainly involving in medical devices distribution, emissions management supports cost control, regulatory readiness and supply chain resilience while reinforcing responsible business conduct and long-term value creation.

Addressing these emissions is essential to safeguarding the Group against energy market volatility and ensuring compliance with emerging environmental standards. We have streamlined its initial carbon reporting to focus on Scope 1, direct fuel combustion from our logistics fleet and Scope 2, purchased electricity as our primary material focus areas in the first year of reporting this topic.

In FYE2025, the Group’s energy consumption for Malaysia-based operations totalled 458,953 MJ or 127,487 kWh. Our current electricity intensity is above sector benchmarks, reflecting Malaysia’s tropical climate and operational demands. Recognizing this, we have initiated a structured energy efficiency program targeting a 30% reduction over three years. This will lower operating costs, reduce carbon exposure, and align our operations with Malaysia’s National Energy Efficiency Action Plan (“NEEAP”) and global Taskforce on Climate-related Financial Disclosures (“TCFD”) recommendations. By turning a high baseline into a high-impact opportunity, we position energy efficiency as both a sustainability and financial value driver.

Overview of Sustainability-Related Risks and Opportunities

ENERGY & CLIMATE EMISSION MANAGEMENT (CONT'D)

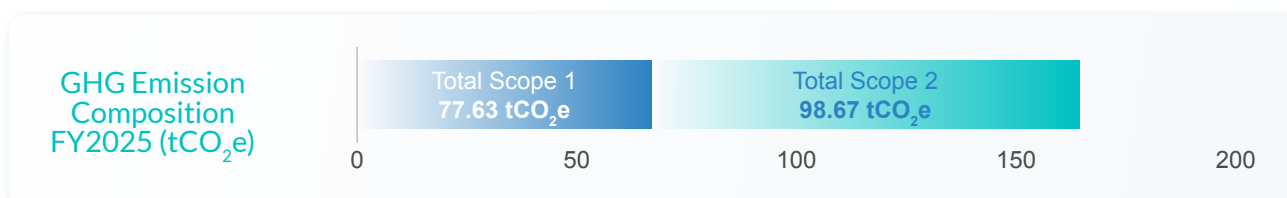


Correspondingly, the Group recorded GHG emissions of 176.30 tCO₂e comprising Scope 1 GHG emissions 77.63 tCO₂e and Scope 2 of 98.67 tCO₂e. Our operations generated 176.30 tCO₂e in the reporting year, reflecting electricity consumption and logistics intensity. While this footprint is above sector averages, it provides a clear baseline for impactful reductions. We are targeting a 30% reduction over three years through energy efficiency, renewable adoption, and logistics optimization, aligning with Malaysia’s NEEAP and global TCFD recommendations.

Emission (tCO ₂ e)	FYE2025
Total Direct GHG Emissions (Scope 1)	77.63
Total Indirect GHG Emission (Scope 2)	98.67
Total GHG Emissions	176.30

* Note:

- 1) Scope 1 – GHG Emissions that occur from vehicles that are owned by two of our wholly owned subsidiary companies.
- 2) Scope 2 – GHG Emissions arising from the generation of purchased electricity consumed by the Group incurred by both of our wholly owned subsidiary companies.



Overview of Sustainability-Related Risks and Opportunities

ENERGY & CLIMATE EMISSION MANAGEMENT (CONT'D)

Climate-related Disclosure

Governance

Climate and emissions management is embedded into our corporate governance framework to ensure accountability, transparency, and alignment with both national and global sustainability standards. Oversight rests with the Board's Audit and Risk Management Committee and our EXCO, which reviews climate-related risks and opportunities as part of our enterprise risk management process. The EXCO receives half yearly updates on energy consumption, emissions intensity, and progress against reduction targets, and reports directly to the full Board.

Executive accountability is assigned to the Group CEO, supported by a cross-functional SWG. This group integrates climate considerations into operational planning, procurement, and logistics, ensuring that emissions reduction initiatives are embedded into day-to-day decision-making. Key performance indicators (KPIs) tied to energy efficiency and emissions reduction will be incorporated into management scorecards and linked to performance-based remuneration. The Board has overall oversight of climate-related risks and opportunities as part of its responsibility for guiding the Group's long-term strategy and sustainability agenda. As this is the Group's first year of reporting, formal governance structures specific to climate-related matters are in the early stages of development.

Strategy

The Group recognises that climate change may give rise to physical risks such as increased frequency of extreme weather events that could disrupt operations and logistics as well as transition risks including changes in regulations, energy costs and stakeholder expectations related to climate and environmental performance.

Given the nature of the Group's business operations in Malaysia, climate-related considerations currently focus on operational resilience, energy consumption and compliance with applicable environmental regulations. At this stage, the Group has not conducted climate scenario analysis but intends to progressively enhance its assessment of climate-related risks and opportunities as data availability and internal capabilities improve.

Risk Management

Climate-related risks are currently managed through existing operational and compliance processes including adherence to environmental laws and regulations, basic energy management practices and periodic monitoring of operational disruptions.

As part of its continuous improvement efforts, the Group plan to integrate climate-related risks more systematically.

Metric and Targets

The Group is in the initial phase of identifying relevant climate-related metrics in line with IFRS S2. For the current reporting period, disclosures primarily focus on Scope 1 and Scope 2 greenhouse gas (GHG) emissions.

We continue to monitor our Scope 1 and Scope 2 GHG emissions. The Group planned to reduce the emission by 30% over the next three years using FYE2025 data as its baseline.

Scope 1

GHG emissions are direct emissions from owned or controlled sources

Scope 2

GHG emissions are indirect emissions from the generation of purchased energy

Scope 3

GHG emissions are all indirect emissions (not included in scope 2)

Overview of Sustainability-Related Risks and Opportunities

ENERGY & CLIMATE EMISSION MANAGEMENT (CONT'D)

Climate-related Disclosure (Cont'd)

Metric and Targets (Cont'd)

Quantified data	Units used	Methods used to enhance disclosures comparability
Energy	kWh	Data is collected based on electricity bills for tracking and monitoring
Energy intensity	kWh/m ²	To quantify Energy Intensity uniformly, we divide our Energy consumption by the total area of occupied floor space
Water	m ³	Data is collected through our water bills
Water intensity	m ³ /m ²	To quantify Water Intensity uniformly, we divide our Water consumption by the total area of occupied floor space
GHG emission	tonnes CO ₂	We use tonnes of CO ₂ to enhance comparability
GHG intensity	tonnes CO ₂ /km tonnes CO ₂ /m ²	We divide the GHG emission quantified by the distance travelled by each vehicle and have divided GHG emissions by distance travelled
Waste recycled	tonnes	Initial data is in kg and is then converted to tonnes

COMMUNITY ENGAGEMENT

17 PARTNERSHIPS FOR THE GOALS



Community engagement is a key social consideration that reflects the Group's responsibility to contribute positively to the communities in which it operates as well as to the broader ecosystem. Meaningful and impactful engagement enables the Group to build trusted relationships with stakeholders and strengthen social cohesion.

The Group remains unwavering in its commitment to corporate social responsibility activities (CSR) with a focus on external initiatives that directly contribute to social development, community well-being and environmental awareness. We believe that by fostering partnerships and actively engaging with local communities, we can play a constructive role in promoting positive social and environmental outcomes.



During the reporting period, the Group undertook community engagement initiatives through collaborations with external organisations. The initiatives included an employee-participated tree planting programme conducted with Malaysian Nature Society to support biodiversity.

Overview of Sustainability-Related Risks and Opportunities

COMMUNITY ENGAGEMENT (CONT'D)



Additionally, the employees of the Group fostered a spirit of giving through a “Make-a-Wish” event, where our team visited Trinity’s Orphanage Home to share joy of the festive season by fulfilling the children Christmas gifts wishes.

Looking ahead, the Group remains committed to identifying and prioritising community engagement opportunities that align with our CSR objectives and stakeholder expectations. The Group seeks to contribute meaningfully to sustainable development while strengthening its positive social impact over time.

SUPPLY CHAIN MANAGEMENT



Recognising that our impact extends across the entire value chain, LAC Med prioritises ethical supply chain management as a fundamental pillar of our sustainability strategy. By holding our partners to the same rigorous standards of integrity and transparency that we set for ourselves, we mitigate systematic risks and ensure long-term operational resilience. Our strategic preference for local suppliers further amplifies this commitment, allowing us to stimulate community level economic development while simultaneously minimising our environmental footprint through reduced transportation related emissions. Ultimately, this approach upholds stakeholder trust and reflects our broader mission of achieving sustainable and inclusive growth.

As part of our commitment to responsible sourcing, we have strengthened our procurement sustainability by establishing vendor evaluation. This initiative introduces standardised policy to ensure our suppliers uphold responsible business practices.

The Group’s procurement is primarily focused on advanced medical technology including radiography systems, CT scanners, MRI, ultrasound machines and digital solutions, consumables and maintenance services. A healthy 87% of our total procurement spent came from our local suppliers and contracted works carried out by local companies within Malaysia. The remaining procurement items were sourced from global suppliers or partners.

Year	FY2025
Local Purchases	87%
International Purchases	13%

The Group continues to support local suppliers and contractors over a long term period. By minimising long-distance material transportation, this strategy promotes local businesses and the economy and reduces the Group’s carbon footprint.

Overview of Sustainability-Related Risks and Opportunities

WASTE MANAGEMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



The Group recognises that responsible waste management is a fundamental component of environmental stewardship and operational efficiency. Although we are currently in early stages of formalising our waste management practices, we believe taking small, consistent and deliberate steps today will lead to significant contributions to overall sustainability over time.

In the medical device industry, where packaging, electronic components and consumable materials are prevalent, proactive waste reduction helps minimise our environmental footprint and prevents the depletion of natural resources. We aim to optimise our resource consumption and align our operations with global efforts to mitigate climate change. Ultimately, building a structured waste management mindset ensures that we remain a responsible corporate entity, protecting the environment for the communities we serve while gradually improving our long-term resilience.

For FYE2025, the Group established its baseline year for waste management data covering operations in Malaysia. This baseline provides a foundation for enhanced monitoring, risk assessment and continuous improvement in waste handling practices. The Group adopts measures including responsible handling and disposal and recycling where applicable to prevent pollution, promote resource efficiency and ensure compliance with applicable environmental laws and regulations.

As a medical device distributor, the Group's operations are primarily office-based and service-oriented. The Group does not undertake manufacturing activities. Waste generation is therefore limited and largely non-routine, arising mainly from the replacement, upgrade or decommissioning of medical equipment and take back programs on equipment from clinics or hospitals.

During the reporting period, the Group generated waste mainly in the form of end-of-life ultrasound equipment, information technology (IT) equipment and used UPS batteries. Waste quantities were monitored based on the number of units indicators. Other waste generated were plastic wrappings and boxes used to protect equipment or products.

All disposals of electronic waste and batteries are managed through appointed licensed waste contractors in accordance with applicable environmental regulations. Where practicable, reusable spare parts components are recovered by service departments and batteries are handled as scheduled waste, to be disposed of later.

As a medical device distributor, the e-waste generated from packaging, IT equipment, and end-of-life devices presents opportunities to recover value through recycling and refurbishment, reduce upstream emissions by diverting waste from landfills, strengthen ESG credentials to win hospital tenders and access green financing, and build trust with stakeholders by demonstrating responsible practices. Also, moving forward through embedding reverse logistics, certified recycling partnerships, eco-design procurement, and transparent reporting, the Group has an opportunity to turn e-waste management from a compliance obligation into a lever for cost savings, environmental leadership, and employee and community engagement.

Number of end-of-life medical device disposed

Ultrasound
20 units



IT Equipment
16 units



UPS Batteries
4 units



GRI Content Index

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GRI Content Index

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LAC Med Berhad and its' group of companies have reported the information cited in this GRI content index for the period from 1 January 2025 to 31 December 2025 with reference to the GRI Standards.

Corporate Governance Overview Statement

The Board of Directors ("Board") of LAC Med Berhad ("the Company") is pleased to present its Corporate Governance Overview Statement ("CG Overview Statement") for the financial year ended 31 December 2025 ("FYE2025"). This statement reflects LAC Med Berhad and its subsidiaries ("LAC Med" or "the Group") commitment to maintaining high standards of corporate governance that support effective strategic oversight, robust risk management and promote transparency, accountability and ethical conduct across the organisation.

This CG Overview Statement outlines the manner in which the Group has applied the principles and the extent of its compliance with the recommendations of the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia ("SC"). In addition to the MCCG, it is prepared in accordance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and the Corporate Governance Guide 4th Edition issued by Bursa Malaysia Berhad.

This CG Overview Statement should be read together with the Corporate Governance Report 2025 ("CG Report 2025"), which provides a detailed explanation of the Group's application of each of the practices under the MCCG. The CG Report 2025 is available on the Company's website at www.lacmed.com and the Company's announcement on the website of Bursa Securities.

Through adherence to the principles and practices of sound governance, the Group continues to strengthen stakeholder confidence and enhance the effectiveness of its governance framework. This CG Overview Statement is structured in accordance with the following three core principles of the MCCG:

Principle A	Principle B	Principle C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Governance Framework

The Group is governed through a corporate governance framework designed to ensure clear lines of accountability, effective oversight and alignment with the Group's strategic objectives. The governance framework is built on the principles of integrity, transparency and risk-conscious leadership. The Board, supported by the Audit and Risk Management Committee ("ARMC") and the Nomination and Remuneration Committee ("NRC"), provides leadership and strategic oversight, while operational management is delegated to the Group Chief Executive Officer ("GCEO") and key senior management.

These Committees operate under clearly defined Terms of Reference ("TOR") to provide focused oversight in their respective areas while reporting back to the Board. With clearly defined roles and responsibilities, they ensure effective governance, robust decision-making and accountability within the Group.



Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness

Part 1: Board Responsibilities

The Board is entrusted with providing leadership and oversight to ensure that the Group's business is conducted ethically, efficiently and in alignment with its strategic objectives. Recognising the importance of corporate governance in upholding ethical standards, ensuring effective oversight, and safeguarding the long-term interests of shareholders and stakeholders, the Board remains committed to maintaining high standards of governance, transparency and accountability, even amid increasing complexity and business challenges. Through this approach, the Board supports long-term value creation while integrating economic, environmental, social and governance consideration in its decision-making, ensuring that the Group's activities align with stakeholder interests and contribute positively to both the business and the wider community.

The Board's roles and responsibilities are formalised in the Board Charter, which serves as the primary source of reference and induction material that guides proper governance standards and the conduct of existing and future Board members. The Charter provides guidance on proper governance standards and defines the manner in which the Board exercises its authority, discharges its responsibilities and delegates the operational matters to key senior management. This clear separation of oversight and day-to-day operations enables the Board to focus on strategy, governance and critical decision-making.

1. Board Charter

The Board Charter clearly defines the role and responsibilities, authorities and accountabilities of the Board, individual Directors and Board Committees. It also outlines key matters that require the Board's review and approval, which include, among others, strategic issues and planning including Environment, Social and Governance ("ESG"), budget and performance reviews, quarterly financial results and audited financial statements; dividend policy or declaration of dividends, capital expenditures, material borrowings, treasury policies, key human resources issues, material acquisitions and disposals not in the ordinary course of business, proposed appointment of external auditors and their audit fees, related party transactions, recurrent related party transactions and conflict of interest, new business ventures, strategic investments, merger and acquisitions and corporate exercises, limits of authority and risk management policies.

By defining these matters, the Board ensures that critical decisions remain under its oversight while allowing the GCEO and key senior management to implement approved strategies and carry out the operational decisions.

The Board Charter was established on 26 May 2025 to formalise the Board's governance framework and responsibilities. It will be reviewed periodically to ensure that it remains aligned with the Group's evolving business needs, regulatory requirements and corporate governance best practices. This Board Charter also serves as a reference for ongoing Board development and induction of new Directors, ensuring continuity in governance standards and the consistent application of the Board's responsibilities.

The Board Charter is accessible on the Company's website at <https://www.lacmed.com>.

2. Board Committee

The Board has set up the following Board Committees, each delegated with specific functions to assist the Board in carrying out its duties and responsibilities. These Committees operate under clearly defined Terms of Reference ("TOR") to focus on specific areas of oversight and governance. The Committees are the Audit & Risk Management Committee ("ARMC") and the Nomination and Remuneration Committee ("NRC").

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 1: Board Responsibilities (Cont'd)

2. Board Committee (Cont'd)

BOARD OF DIRECTORS	
Audit and Risk Management Committee	Nomination and Remuneration Committee
- Financial reporting - Internal and external audit - Risk management - Internal controls - Related party transactions - Conflict of interest - Compliance with laws and regulations	- Board and Key Senior Management appointment and reappointment - Succession planning - Performance evaluation - Board composition and diversity

The ARMC was established on 15 April 2025 and details of the ARMC's activities and the discharge of its responsibilities during the FYE2025 are set out on pages 96 to 99 of this Annual Report.

The NRC was also established on 15 April 2025 and details of the NRC's activities and the discharge of its responsibilities during the FYE2025 are set out on pages 87 to 88 of this Annual Report.

The ARMC and NRC undertake detailed reviews and deliberations within their respective scopes of responsibility and report to the Board at regular intervals on their findings and recommendations. Through this structured reporting and recommendation process, the Committees ensure that significant matters arising from their deliberations are appropriately escalated for the Board's consideration. While the Committees provide focused oversight and guidance, the Board retains ultimate responsibility for decision-making, approvals and overall governance of the Group.

3. Board Leadership and Division of Roles and Responsibilities

Chairman

The Board is chaired by Mr. Liew Yoon Kit, the Non-Independent Non-Executive Chairman who was appointed to our Board on 15 April 2025. The roles of the Chairman and the GCEO are held by different individuals, ensuring a clear division of responsibilities between the leadership of the Board and the management of the Group. In this regard, no single individual has unfettered influence over the Board's decision-making or the management of the Group, supporting a balance of authority and proper checks and oversight. The responsibilities of the Chairman, amongst others, include the following:

- Leading the Board in its collective oversight of management;
- Providing leadership for the Board so that the Board can perform its responsibilities effectively;
- Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- Leading the Board in adopting and implementing good corporate governance practices in the Group;
- Leading Board meetings and discussions and acting as facilitator to ensure a meaningful level of engagement among Board members;
- Encouraging active participation of Directors at Board meetings and allowing dissenting views to be expressed openly;
- Promoting constructive and respectful relations between Directors and senior management;
- Ensuring compliance with all relevant regulations and legislation; and
- Representing the Board to shareholders and ensuring appropriate measures are in place for effective communication with stakeholders and that their views are communicated to the Board as a whole.

The Board is guided by the principle that the Chairman should not be a member of the ARMC or the NRC as his participation could result in self-review and compromise the objectivity of these Committees. As such, the Chairman is not a member of these Committees, reinforcing their independence and ability to provide impartial oversight to the Board.

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 1: Board Responsibilities (Cont'd)

3. Board Leadership and Division of Roles and Responsibilities (Cont'd)

Group Chief Executive Officer

Mr. Liew Yoon Poh, is our GCEO who was appointed to our Board on 22 November 2024 and he is responsible for the day-to-day management and operational leadership of the Group. The key roles of GCEO include:

- Managing the day-to-day business operations of the Group;
- Ensuring that the applicable rules and regulations for the conduct of affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required is met/provided for its efficient operation;
- Ensuring that the Group has in place adequate risk management and internal controls framework in accordance with the policies and procedures approved by the Board;
- Ensuring the Group complies with approved financial reporting standards, the Listing Requirements and other applicable laws and regulations;
- Leading the development of the Group's operations and businesses and recommending short and long-term strategies to the Board and executing them upon approval;
- Implementing the Group's sustainability strategies and initiatives towards achieving its sustainability objectives and ensuring the Group maintains high ESG responsibility in the conduct of its business;
- Assessing all business opportunities which are of potential benefit to the Group;
- Keeping abreast of the competitive market landscape, expansion opportunities and industry developments;
- Monitoring the performance of the Group against the performance and sustainability targets and reporting its progress to the Board;
- Bringing material and other relevant information to the attention of the Board in a complete and timely manner;
- Reviewing the Group's focus, direction and alignment with the Company's vision and mission; and
- Representing the Group as the key spokesperson with all stakeholders including investors, regulators and business partners.

The GCEO operates within the authority delegated by the Board, maintaining a clear separation between governance and management while being accountable to the Board for the Group's overall performance and results.

Senior Independent Non-Executive Director ("Senior INED")

The Senior INED role is held by Dato' Ng Wan Peng ("Dato' Ng") who was appointed by the Board on 15 April 2025. She plays an important role in supporting the Board's effectiveness by providing independent guidance and perspective to them. The role and responsibilities of Senior INED include:

- To act as a sounding board to the Chairman;
- To serve as an intermediary for other Directors when necessary, such as to facilitate confidential discussions with Directors who may have concerns which they believe have not been properly considered by the Board or which they feel may not be appropriate to raise in open forum or with the Chairman directly;
- To act as a point of contact for shareholders and other stakeholders with concerns which have failed to be resolved or would not be appropriate to be communicated through the normal channels of the Chairman and/or GCEO;
- To act as one of the independent channels for whistleblowers to direct reports/complaints as identified in the Company's Whistle-blowing Policy

As such, any questions or concerns relating to the Group may be directed to Dato' Ng at wpng@lacmed.com.

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 1: Board Responsibilities (Cont'd)

3. Board Leadership and Division of Roles and Responsibilities (Cont'd)

Independent Non-Executive Director ("INED")

The INED is to provide unbiased oversight and objectivity without being subordinated to operational considerations, promoting transparency and upholding ethical standards within the Group. They help to improve the performance of the Company by bringing specific expertise from their sector and/or personal experience and providing their objective view of the Company's health and operations.

The roles of an INED, amongst others, include the following:

- Provide objective and independent opinion on issues;
- Ensure that the interests of the Company, shareholders and stakeholders are taken into consideration and upheld;
- Monitor the areas of discussion, notably those where potential conflict of interests may arise;
- Mitigate any potential conflict of interest that may arise in the governance of the Group;
- When the interests of management and shareholders are in conflict, to mediate and arbitrate the situation in the best interest of the Company; and
- Provide a check and balance to the Board.

Company Secretary

The Board is supported by the Company Secretary, who plays a key role in ensuring that the Board operates effectively and in compliance with regulatory requirements. The responsibilities of the Company Secretary are, amongst others, the following:

- Ensuring that Board procedures are followed during meetings;
- Managing the meeting logistics of all Board and Board Committee as well as attending and recording minutes of all Board and Board Committee meetings and facilitating board communications;
- Advising the Board on its roles and responsibilities;
- Facilitating the orientation of new directors and assisting in director training and development;
- Advising the Board on corporate disclosures and compliance with company law, securities regulations and Bursa Securities MMLR;
- Managing procedures pertaining to annual general meeting;
- Monitoring corporate governance developments and assisting the Board in adopting good corporate governance and sustainable ESG practices to meet the Board's needs and stakeholders' expectations; and
- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

4. Board Meeting and Access to Information

The Board meets regularly, with the schedule of meetings planned in advance to ensure sufficient time for discussion and decision-making. Notice of each meeting, together with the agenda and supporting papers, is circulated to all Directors in a timely manner to allow adequate time for review and preparation. The Board may convene additional meetings as required to address urgent or emerging matters.

In discharging their duties, the Directors have unrestricted access to all relevant information, records and documents of the Group, as well as the advice and services of the Company Secretary. The Directors may also seek independent professional advice, at the Company's expense, to enable them to make well-informed decisions. Board papers are structured to provide clear, concise and relevant information to facilitate effective oversight.

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 1: Board Responsibilities (Cont'd)

4. Board Meeting and Access to Information (Cont'd)

Board meetings are conducted with the required quorum, ensuring that decisions are made collectively with full participation of Directors. The Board also utilises technology, including electronic board packs and virtual meetings where necessary, to support timely access to information and effective deliberation, particularly when Directors are located in different regions. This framework ensures that the Board is well-informed, able to exercise robust oversight and can make timely and effective decisions in the best interests of the Group and its stakeholders.

As this is the first financial year, the Board held its inaugural Board meeting on 26 May 2025. A total of three (3) Board meetings and one ARMC meeting were conducted during FYE2025. The Board meetings were held separately from the Committee meetings to ensure focused deliberations. The details of the Directors' and Committee members' meeting attendance are as follows:

Director	Directorship	Board Meeting	ARMC Meeting
Liew Yoon Kit	Non-Independent Non-Executive Chairman	3/3	-
Liew Yoon Poh	Group Chief Executive Officer	3/3	-
Dato' Ng Wan Peng	Senior Independent Non-Executive Director	3/3	1/1
Goh Teck Hong*	Independent Non-Executive Director	3/3	1/1
Chan Yue Mun	Non-Independent Non-Executive Director	3/3	-
Lim Su May	Independent Non-Executive Director	3/3	1/1

Note: Mr Liew Yoon Poh attended the ARMC meeting upon invitation from the ARMC

** Mr Goh Teck Hong is the ARMC Chairman*

5. Business Ethics and Integrity

Code of Business Conduct and Ethics

The Board has established a Code of Conduct and Ethics ("CoCE") on 9 May 2025 which sets out the principles of conduct to guide Directors and employees in performing their duties with the highest standards of personal and corporate integrity. The CoCE serves as a cornerstone of the Group's governance framework, promoting ethical behaviour, transparency and accountability in all interactions with stakeholders, including competitors, customers, suppliers, financial institutions, colleagues and the broader community.

The CoCE provides practical guidance on expected behaviour, decision-making and compliance with legal and regulatory requirements, handling conflict of interest, supporting a culture of integrity, professionalism and responsibility across the organisation. The Board will regularly review and update the CoCE to ensure that it remains relevant to the Group's evolving business environment and governance practices.

The CoCE is available on the Company's website at <https://www.lacmed.com>.

The CoCE is complemented by the Whistle-Blowing Policy and the Anti-Bribery and Anti-Corruption Policy which together promote ethical conduct, transparency, and accountability across the Group. While the CoCE sets out the principles of integrity and expected behaviour, the Whistle-blowing Policy provides a confidential channel for employees and stakeholders to report misconduct or unethical behaviour, and the Anti-Bribery and Anti-Corruption Policy reinforce the Group's zero-tolerance stance on bribery and corruption.

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 1: Board Responsibilities (Cont'd)

5. Business Ethics and Integrity (Cont'd)

Whistle-Blowing Policy

The Board has formulated this Whistle-Blowing Policy on 9 May 2025 to protect the values of transparency, integrity, impartiality and accountability in which the Group conduct their businesses and affairs. The purpose of this Policy is to encourage the reporting of any form of inappropriate behaviour (excluding Human Resource disciplinary matters) and provide guidance on how to raise concerns. This can be reported via email to:

Attention to :	Mr. Goh Teck Hong	Attention to :	Dato' Ng Wan Peng
Designation :	Audit and Risk Management Committee Chairman	Designation :	Senior Independent Non-Executive Director
Email Address :	thgoh@lacmed.com	Email Address :	wpng@lacmed.com

The Whistle-Blowing Policy is available on the Company's website at <https://www.lacmed.com>.

Anti-Bribery and Anti-Corruption Policy ("ABAC")

The Board has established an ABAC compliance framework on 9 May 2025, supported by management systems and internal standards, to ensure that the Group conducts its business and operations ethically. The framework reflects the Group's commitment to a zero-tolerance approach towards bribery and corruption, reinforcing integrity in decision-making, mitigating associated risks and promoting a culture of accountability and transparency throughout the organisation.

During the FYE2025, the Group conducted training to raise awareness of its ABAC framework, reinforce ethical practices and promote a culture of integrity and accountability across the organisation.

The ABAC Policy is available on the Company's website at <https://www.lacmed.com>.

6. Sustainability Governance

The Board recognises the importance of sustainability in supporting the Group's long-term strategy and creating value for stakeholders. The Group is committed to embarking on its sustainability journey, with an initial focus on responsible healthcare distribution practices, operational integrity and long-term value creation, while taking into consideration the economic, environmental, social and governance impacts of its operations.

The Sustainability Statement 2025, which can be found on pages 47 to 78, outlines the Group's practices and developments relating to sustainability matters. The FYE2025, sustainability matters were overseen by the Chief Financial Officer prior to the formal engagement and establishment of a dedicated Sustainability Working Group ("SWG") in September 2025.

Following the setting up of the SWG, the SWG presented its first proposal on the sustainability framework and roadmap to the Board in November 2025. The discussion focused on the preliminary approach, scope and phased implementation plan for the Group's sustainability initiatives. The identification and assessment of the Group's sustainability material matters will be undertaken, following data collection, stakeholder engagement and further evaluation, as the sustainability framework continues to be developed and refined. The outcome has been presented to the Board on February 2026.

The Board is responsible for setting the Group's sustainability direction and works closely with the management in its progressive development and implementation. The Board provides oversight of sustainability matters, reviews progress from time to time and considers the impact of sustainability initiatives to ensure alignment with the Group's long-term strategic objectives. Through this oversight and guidance, the Board seeks to progressively integrate sustainability considerations into the Group's decision-making processes.

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 2: Board Composition

Board Composition and Diversity

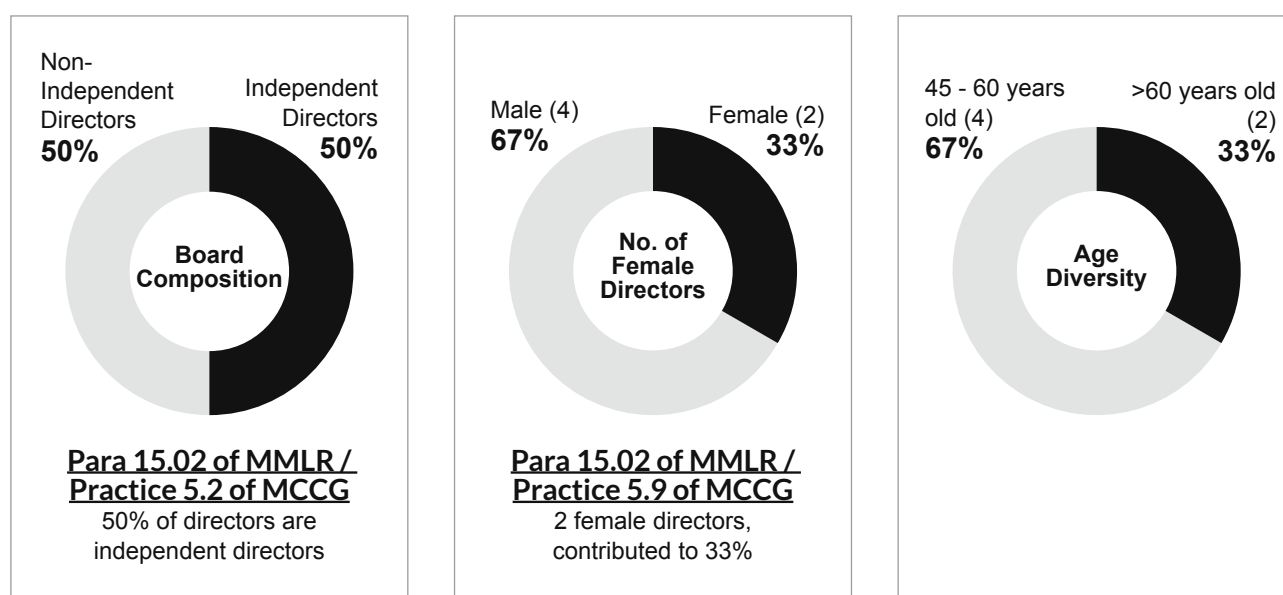
The effectiveness of the Board is strengthened by its composition and structure, which aim to provide a balanced mix of skills, experience, independence and diversity that are relevant to the Group's business and operating environment. In forming the Board, factors such as professional qualifications, skills, age, industry knowledge and gender are considered to support sound decision making.

The current Board consists of six (6) members, comprising a Non-Independent Non-Executive Chairman, a Group Chief Executive Officer, one (1) Senior Independent Non-Executive Director, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

In compliance with Paragraph 15.02 of the MMLR, the Company ensures that at least two (2) directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors, and that the Board includes at least one (1) female director.

Name	Directorship
Liew Yoon Kit	Non-Independent Non-Executive Chairman
Liew Yoon Poh	Group Chief Executive Officer
Dato' Ng Wan Peng	Senior Independent Non-Executive Director
Goh Teck Hong	Independent Non-Executive Director
Chan Yue Mun	Non-Independent Non-Executive Director
Lim Su May	Independent Non-Executive Director

During the FYE2025, the Board comprised three (3) Independent Directors, representing 50% of the total Board composition, and two (2) female directors. This Board composition supports strong corporate governance, independence and diversity in line with regulatory expectations.



In accordance with the Board Charter and Practice 5.3 of the MCCG, the tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. Being the first year of the Board's appointment, no Independent Director has exceeded the prescribed tenure limit.

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 2: Board Composition (Cont'd)

Gender Diversity

The Group established a Gender Diversity Policy on 9 May 2025, which provides a framework for disclosures, reporting and compliance in accordance with the MMLR and the MCCG. The Board is responsible for overseeing the implementation of the Gender Diversity Policy, including setting strategies to achieve its objectives and monitoring progress against established targets. The strategies adopted under the Gender Diversity Policy include, among others, recruiting from a diverse pool of female candidates, reviewing succession planning to ensure appropriate emphasis on gender diversity and promoting an inclusive culture at Board and key senior management levels. This is represented by the presence of two (2) female directors and two (2) female key senior management.

The NRC assists the Board in overseeing matters relating to Board composition, succession planning and diversity. In this regard, the NRC is responsible for identifying and recommending suitable candidates for Board appointment, taking into account the required mix of skills, experience, independence and gender diversity, as well as reviewing the effectiveness of the Board's succession planning to support the objectives of the Gender Diversity Policy.

Nomination and Remuneration Committee

In line with Practice 5.8 of the MCCG, the NRC comprises three (3) Independent Directors and is chaired by the Senior Independent Non-Executive Director.

Our NRC comprises the following members:

Name	Position	Directorship
Dato' Ng Wan Peng	Chairperson	Senior Independent Non-Executive Director
Lim Su May	Member	Independent Non-Executive Director
Goh Teck Hong	Member	Independent Non-Executive Director

The main functions of the NRC are as follows:

- Identify, consider and recommend to our Board suitable candidates for appointment as Directors and members of each Board Committee;
- Assess annually the effectiveness of our Board as a whole, Board Committees and the contribution of each individual Director through the conduct of annual fit and proper assessment as well as the performance of the Group Chief Executive Officer.
- Review annually the performance of our Board and Key Senior Management in addressing our material sustainability risks and opportunities;
- Identify suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry and regulatory changes;
- Review Board and Key Senior Management succession plans and oversee the development of a diverse pipeline for Board and Key Senior Management succession;
- Review our Group's policies and procedures on remuneration, including reviewing and recommending matters relating to the remuneration of Directors and Key Senior Management, and recommend to our Board for approval; and
- Oversee any major changes in employee remuneration and benefit structures throughout our Group.

Through these activities, the NRC supports the Board in maintaining a high-performing, diverse and well-governed leadership team.

There was no NRC meeting held during the FY2025, as the Company was only listed on the Main Market of Bursa Securities on 10 December 2025. During the year, key matters typically within the purview of the NRC were deliberated and approved via written resolutions, including:

- Recommendation for the adoption of TOR for NRC;
- Recommendation of the payment of Directors' fees and benefits for the period from 15 April 2025 (date of appointment) until the next Annual General Meeting to be held in 2026; and

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 2: Board Composition (Cont'd)

Nomination and Remuneration Committee (Cont'd)

- Recommendation of pink form allocations to the eligible directors, employees and persons who have contributed to the success of the Group.

The roles, responsibilities and authorities of the NRC are set out in its TOR, which is available on the Company's website at <https://www.lacmed.com>.

Directors' Fit and Proper Policy

The Board ensures that the appointment, reappointment and re-election of Directors are conducted through a formal, rigorous and transparent process based on objective criteria, merit and diversity. In assessing suitability, due consideration is given to the Directors' character, integrity, competence, experience and time commitment.

To support this process, the Group has adopted a Director's Fit and Proper Policy on 9 May 2025 to guide the NRC and the Board in evaluating candidates for Board appointment and Directors seeking re-election. The Director's Fit and Proper Policy is available on the Company's website at <https://www.lacmed.com>.

Sourcing of Director

The Board sources potential directors through a combination of professional search firms, industry associations, regulatory recommendations, and established networks, ensuring that candidates bring the requisite expertise, independence and diversity to support the Company's strategic direction and governance framework.

Election and Re-election of Directors

In accordance with our Constitution, an election of Directors shall take place every year. At our first Annual General Meeting ("AGM") ("1st AGM"), all the Directors shall retire from office at the conclusion of the 1st AGM and at the AGM in every subsequent year, one-third (1/3) of our Directors for the time being or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office at the conclusion of the AGM in every year, provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. A Director retiring at a meeting shall retain office until the conclusion of the meeting.

Director	Date of Appointment	Date of expiration of the current term of office
Liew Yoon Kit	15 April 2025	At our 1st AGM
Liew Yoon Poh	22 November 2024	At our 1st AGM
Dato' Ng Wan Peng	15 April 2025	At our 1st AGM
Goh Teck Hong	15 April 2025	At our 1st AGM
Chan Yue Mun	15 April 2025	At our 1st AGM
Lim Su May	15 April 2025	At our 1st AGM

The current term of office of all Directors will expire at the conclusion of the Company's 1st AGM to be held on 18 May 2026. The Directors standing for re-election at the forthcoming 1st AGM are set out in the Notice of AGM and have been recommended for re-election.

The NRC has conducted a fit and proper assessment of the retiring directors who seek for re-election at the forthcoming 1st AGM pursuant to the Directors' Fit and Proper Policy adopted by the Company. The assessment includes the submission of the Directors' Declaration of Fit and Proper by the retiring Directors to the NRC.

Based on the evaluation of the individual Directors, the NRC was satisfied with the performance of the retiring Directors and the Board has on 27 February 2026 concurred with the NRC, to recommend the above retiring Directors for re-election at the forthcoming 1st AGM.

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 2: Board Composition (Cont'd)

Board Evaluation

The Board recognises the importance of regular evaluation to ensure its effectiveness and sound governance. Such evaluation processes are overseen by the NRC and are intended to assess, among others, the Board's composition, skills, experience, independence, and performance of individual Directors. The Board also promotes ongoing professional development for Directors to strengthen their skills, knowledge, and effectiveness in governance and strategic oversight.

As the Company was listed on the Main Market of Bursa Securities on 10 December 2025, no formal Board evaluation was conducted for FYE2025. The Board intends to undertake its first evaluation exercise in the forthcoming financial year.

Notwithstanding the above, the Board is satisfied that its current composition provides an appropriate balance of expertise, experience, independence, and diversity to effectively discharge its responsibilities. The Board has resolved to adopt the NRC's recommendations for the re-election of all Directors at the forthcoming 1st AGM, in accordance with the applicable statutory requirements.

Directors Training and Development

The Board recognises the importance of continuous professional development and encourages Directors to attend relevant trainings on governance, regulatory updates, industry trends and risk management. The NRC monitors training needs and facilitates opportunities to enhance Directors' knowledge and expertise.

A summary of the training programs and seminars attended by all Directors during FYE2025 is set out below:

Directors	Date	Training Programs/Seminars
Liew Yoon Kit	18 Feb 2025	PIKOM CIO Chapter Northern Conference
	28 Mar 2025	PIKOM CIO Conference
	16 Apr 2025	Future of Cybersecurity Summit
	22 – 23 Jul 2025	Mandatory Accreditation Programme
	30 Oct 2025	GBS ASEAN Summit
	10 – 12 Nov 2025	ASOCIO Digital Summit
	16 Dec 2025	PUCM Qingdao Summit
Liew Yoon Poh	17 Jul 2025	Environment, Social and Governance Awareness
	22 – 23 July 2025	Mandatory Accreditation Programme
	1 Oct 2025	Microsoft Excel - Advanced
	10 Nov 2025	Corporate Liability on Corruption
Dato' Ng Wan Peng	5 Mar 2025	Moving from the Recommendation of the Task force on Climate-related Financial Disclosures to IFRS S1 and IFRS S2
	16 Jun 2025	F&N AgriValley ESG Training
	16 Jun 2025	Malaysia Personal Data Protection (Amendment) 2024
	18 Jun 2025	Navigating the New Normal: How ASEAN's Evolving Tariff Landscape is Shaping Business, Talent, and Skills Development
	25 Jul 2025	Governance in an Era of Trade Uncertainty: Navigating Tariff Risks and Opportunities
	7 Aug 2025	EY Insurance Forum
	8 Sep 2025	Climate First or Last?
	12 Sep 2025	Talk on "The Federal Reserve's Monetary Policy Strategy: Back to the Future?" by Prof Athanasios Orphanides
	16 Jul – 27 Oct 2025	Digital Leadership Excellence (DLE) Programme: Cohort 3/2025

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 2: Board Composition (Cont'd)

Directors Training and Development (Cont'd)

A summary of the training programs and seminars attended by all Directors during FYE2025 is set out below:

Directors	Date	Training Programs/Seminars
Dato' Ng Wan Peng (Cont'd)	4 Nov 2025	How are Boards Tracking the Progress and Quality of Sustainability Reporting
	26 Nov 2025	Anti-Bribery and Anti-Corruption Training
	8 Dec 2025	Sustainability Related Reporting Requirements for the Board
Goh Teck Hong	11 - 12 Jun 2025	Mandatory Accreditation Programme Part II - Leading for Impact
	19 Jun 2025	Expanding your Trading Business into Vietnam
Chan Yue Mun	22 – 23 July 2025	Mandatory Accreditation Programme
Lim Su May	18 Feb 2025	Investor's Day Webinar - Risks and Opportunities in Trump 2.0: A Global Perspective
	19 – 20 Feb 2025	Mandatory Accreditation Programme Part II: Leading for Impact ("LIP")
	10 Mar 2025	Webinar on Unlocking Business Growth with The National Mark Malaysian Brand
	12 Mar 2025	BR Capital Investor's Day Webinar - Legal Insights for Investors: Navigating Debt Fundraising
	12 Mar 2025	Understanding Land Fraud in Malaysia
	20 Mar 2025	Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Circulars issued by Bursa Securities on 29 Nov 2024 and 23 Dec 2024)
	23 Mar 2025	Fundamentals of Valuation and Cost Method
	27 Mar 2025	Unlocking Opportunities: Johor-Singapore Special Economic Zone
	29 Apr 2025	Tariff Turbulence: Navigating Trump's Trade War and Hong Kong Strategy
	14 May 2025	Comparison Method of Valuation
	17 Jun 2025	Bursa Malaysia's The Journey into the AI Age - Game Changer for Your Digital Transformation Era
	20 Jun 2025	PwC's Indirect Tax Webinar - Exploring the expanded scope of Sales Tax and Service Tax
	26 Jun 2025	Seminar at ICDM - E-invoicing for Directors - MyInvois & MyTax Portal Walkthrough for Directors
	24 Jul 2025	ESG Unplugged: C-Level Perspectives on Tech, Carbon & Change
	24 Sep 2025	Webinar organized by Bursa Malaysia and managed by LifeChamp - Using Advanced Candlestick Pattern to Anticipate Potential Stock Price Reversal
	13 Nov 2025	Mandatory Accreditation Programme Part II - Leading for Impact - Alumni Sharing and Networking Session (Connecting Beyond Screens)
	15 Dec 2025	Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Circular issued by Bursa Securities on 30 Oct 2025)

All the Directors have completed the Mandatory Accreditation Programme ("MAP"), of whom three (3) Directors have also completed MAP Part II: Leading for Impact, as prescribed by the MMLR.

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 3: Remuneration

The NRC is responsible for ensuring that Directors and key senior management are fairly remunerated in line with their responsibilities and contributions to the Group's overall performance. Remuneration levels are designed to attract and retain high-calibre individuals.

Remuneration Policy

The Board has established a Remuneration Policy on 9 May 2025 to provide guiding principles for the NRC in determining and proposing appropriate remuneration for Directors and the key senior management. The remuneration structure is designed to align with shareholders' expectation by linking rewards to the Company's performance through a pay-for-performance approach.

Fixed monthly salaries for the Executive Director and key senior management are determined based on their roles, responsibilities, skills, experience, and market conditions. Variable remuneration is performance-based and linked to individual and overall business performance, with goals set at the beginning of the year and reviewed mid-year and at year-end. Non-Executive Directors are remunerated through fixed Directors' fees and meeting allowances. Their remuneration is reviewed periodically against market benchmarks of comparable companies.

The Remuneration Policy is available on the Company's website at <https://www.lacmed.com>.

Details of the remuneration of the Directors on a Company and Group basis for FYE2025 are set out below:

i) The Company

Directors	Salaries	Fees	Benefits-in-kind	Other emoluments ⁽¹⁾	Total
GCEO					
Liew Yoon Poh	270,000	-	20,263	33,096	323,359
Non-Executive Directors					
Liew Yoon Kit	-	42,500	-	8,000	50,500
Chan Yue Mun	-	42,500	-	8,000	50,500
Dato' Ng Wan Peng	-	42,500	-	8,000	50,500
Lim Su May	-	42,500	-	8,000	50,500
Goh Teck Hong	-	42,500	-	8,000	50,500

ii) The Group

Directors	Salaries	Fees	Benefits-in-kind	Other emoluments ⁽¹⁾	Total
GCEO					
Liew Yoon Poh	452,572	-	31,319	55,705	539,596
Deputy CEO					
Hong Chong Chet ⁽²⁾	97,960	-	-	23,784	121,744
Non-Executive Directors					
Liew Yoon Kit	-	42,500	-	8,000	50,500
Chan Yue Mun	-	42,500	-	8,000	50,500
Dato' Ng Wan Peng	-	42,500	-	8,000	50,500
Lim Su May	-	42,500	-	8,000	50,500
Goh Teck Hong	-	42,500	-	8,000	50,500

Corporate Governance Overview Statement

Principle A - Board Leadership and Effectiveness (Cont'd)

Part 3: Remuneration (Cont'd)

Remuneration Policy (Cont'd)

- (1) Including contributions to Employee Provident Fund, Social Security Organisation, Employment Insurance System and allowances
- (2) Mr. Hong Chong Chet was appointed on 22 November 2024 and resigned on 15 April 2025.

The remuneration for each of our Director is subject to review and recommendation by our NRC and approval by our Board. The fees and benefits payable to our Directors shall further be approved by our shareholders pursuant to an ordinary resolution passed at the 1st AGM.

Key Senior Management Remuneration

Details of the remuneration of the top five (5) key senior management, disclosed in bands of RM50,000, for the FYE2025 are set out below. The Board has opted to disclose the total remuneration and other emoluments in bands of RM50,000, without providing a detailed breakdown.

Key Senior Management	Remuneration Band (RM'000)
Hong Chong Chet	300 – 350
Thean Yain Peng	500 – 550
Teh Peng Ting	500 – 550
Sum Sheau San	350 – 400
Choo Mei Peng ⁽¹⁾	150 – 200

(1) Computed from the dates of joining in FYE2025

Principle B - Effective Audit and Risk Management

Part 1: Audit and Risk Management Committee

The ARMC was established by the Board on 15 April 2025 to assist in fulfilling its oversight responsibilities in relation to financial reporting, internal and external audit, risk management, internal control and compliance matters.

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, and is chaired by Mr. Goh Teck Hong, who is a Certified Practising Accountant of CPA Australia and a Chartered Accountant of the Malaysian Institute of Accountants ("MIA").

In line with Practice 9.1 of MCGG, the Chairman of the ARMC is not the Chairman of the Board. All members of the ARMC are financially literate and possess the experience and expertise necessary to effectively discharge their oversight responsibilities. The ARMC recognises the importance of continuous professional development to ensure its members remain effective in discharging their duties. Details of the training programmes attended by the Directors are disclosed on pages 89 to 90.

The composition of the ARMC, the number of meetings held during the financial year, members' attendance, a summary of ARMC activities, the internal audit functions and conflict of interest disclosures are set out in ARMC Report on pages 96 to 99.

Corporate Governance Overview Statement

Principle B - Effective Audit and Risk Management (Cont'd)

Part 1: Audit and Risk Management Committee (Cont'd)

External Auditor Policy

The ARMC observes the Board's External Auditor Policy, which requires that any former partner of the external auditor must observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

The independence of the external auditors is integral to their role, and the ARMC gives due consideration to this requirement when recommending a preferred auditor to the Board. The ARMC conducts an annual evaluation of the external auditors' independence, performance and suitability based on criteria including quality of service, audit scope, timeliness, resource adequacy, escalation of key issues and effectiveness of recommendations.

Upon completion of the assessment and where the external auditors are found to be suitable and independent, the ARMC will recommend their re-appointment to the Board for approval and thereafter to shareholders for approval at the AGM.

A private session is held at least once a year between the External Auditors and the ARMC, without the presence of Management, to allow frank and open discussions on audit matters, independence and any concerns arising from the audit.

Part 2: Risk Management and Internal Control Framework

The Board recognises the importance of maintaining a sound risk management and internal control framework to safeguard shareholders' interests and the Group's assets. Through the ARMC, the Board oversees the adequacy, effectiveness and integrity of the Group's risk management and internal control systems.

The Board has established the Enterprise Risk Management Framework ("ERM Framework") based on ISO31000, an internationally recognised risk management framework.

The ERM Framework is structured following these core elements:

- Communication and consultation with external and internal stakeholders;
- Establish the context to define risk objectives, scope and parameters;
- Risk assessment;
- Risk treatment; and
- Monitor and review to verify risk effectiveness and identify emerging risks

The ARMC is supported by the Executive Committee ("EXCO") in carrying out its oversight responsibilities. While the ARMC provides independent oversight of financial reporting, internal and external audit, risk management, internal controls, and compliance matters, the EXCO assists in implementing and monitoring these processes across the Group. Specifically, the EXCO helps identify, assess, and manage operational and business risks, ensures that internal controls and policies are effectively applied, reviews and deliberates the reports issued by the Head of Internal Audit and Risk Management (HIARM) before submitting to ARMC to facilitate informed decision-making and effective governance.

The Board has also established Standard Operating Procedures, Policies and Discretionary Authority Limit to ensure consistent operations, effective internal controls, risk mitigation, and compliance with applicable laws, regulations, and internal requirements.

The Group's commitment to quality and regulatory compliance is further reinforced through periodic ISO 13485: Medical Devices Quality Management System and Good Distribution Practice for Medical Devices audits held annually, which provide independent assurance on the effectiveness of quality management systems and adherence to regulatory standards.

Further details on risk management and related activities are provided in the ARMC Report on pages 96 to 99 and Statement of Risk Management and Internal Control ("SORMIC") on pages 103 to 108.

Corporate Governance Overview Statement

Principle B - Effective Audit and Risk Management (Cont'd)

Part 2: Risk Management and Internal Control Framework (Cont'd)

Internal Audit Functions

The ARMC ensures that the internal audit function is effective, adequately resourced and able to operate independently and objectively. In carrying out this responsibility, the ARMC oversees the internal audit plan, scope of work and audit findings and reviews the adequacy and effectiveness of the Group's internal control and risk management systems. The ARMC also evaluates the performance of the internal auditors, ensures timely follow-up on audit recommendations by Management, and reports significant issues to the Board for appropriate action.

During the FYE2025, the focus of the internal audit function was on developing the internal audit plan to support effective oversight of internal controls and risk management processes going forward. The internal audit activities are carried out in accordance with the International Professional Practices Framework issued by the Institute of Internal Auditors Malaysia and the Committee of Sponsoring Organisations for the Treadway Commission ("COSO") Framework.

Further details on internal audit related activities are provided in the ARMC Report on pages 96 to 99.

Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Part 1: Engagement with Stakeholders

The Board is committed to cultivating long-term relationships with stakeholders through open and transparent communication. By engaging in two-way dialogue, the Group seeks to understand stakeholders' expectations, address their concerns, and build trust and confidence in the Group's operations.

Since the launch of the Prospectus on 14 November 2025, the Group has actively engaged with its stakeholders to provide timely and accurate information regarding the listing, business operations, and future strategies. Engagement channels include investor briefings, meetings with analysts, media releases, updates through the Company's website and ongoing dialogue with regulators, customers, and business partners. Feedback received from stakeholders has been considered where relevant and risk management processes are regularly reviewed to strengthen trust, transparency and long-term value creation.

The Company has established an Investor Relations ("IR") section on its website, which provides relevant information on the Group's operations, financial performance, announcements and corporate governance updates. Stakeholders can also contact the IR team directly via IR@lacmed.com for enquiries, feedback, or clarifications. The Group's Shareholder & Stakeholder Communication Policy is publicly available on the Company website, reinforcing its commitment to timely disseminate information, be transparent and have an effective engagement with investors and other stakeholders.

Part 2: Conduct of General Meetings

The AGM serves as an important platform for the Company to engage directly with its shareholders. It provides shareholders with the opportunity to receive updates on the Group's performance, strategic initiatives, and corporate governance matters and to raise questions or provide feedback to the Board. The AGM also enables shareholders to exercise their rights in approving key matters, including the election or re-election of Directors, the appointment of external auditors, and the declaration of dividends, thereby fostering transparency, accountability, and active participation in the Company's governance.

The 1st AGM of the Company, scheduled for 18 May 2026, will be held following the Company's listing on the Main Market of Bursa Securities. In line with the Practice 13.1 of the MCCG, the notice of meeting is issued at least 28 days in advance, providing shareholders with adequate time to review the agenda and make informed decisions.

Corporate Governance Overview Statement

Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Cont'd)

Part 2: Conduct of General Meetings (Cont'd)

The 1st AGM will be conducted physically and is open to all shareholders, proxies and authorised representatives as provided in the Company's Constitution. All Directors, GCEO, Company Secretary, members of key senior management and the external auditors of the Company will be present at the 1st AGM to respond to shareholders' queries.

In line with Paragraph 8.29A of the MMLR, all resolutions proposed at the 1st AGM will be voted on by poll. The Company will appoint independent scrutineers to verify and count the votes, ensuring transparency, accuracy and fairness in the voting process. The results of the poll will be announced to Bursa Securities and made available to shareholders immediately after the conclusion of the 1st AGM.

The minutes of the 1st AGM, including a summary of questions raised by shareholders and the Company's responses, if any, will be circulated to the Board and published on the Company's website not later than 30 business days after the conclusion of the 1st AGM.

Compliance Statement

The Board has deliberated, reviewed, and approved this Statement and is satisfied that the Company has substantially applied and complied with all the practices recommended under the MCCG, and has fulfilled its obligations under the relevant provisions of the Bursa Securities MMLR, the Companies Act 2016, the Corporate Governance Guide – 4th Edition issued by Bursa Malaysia Berhad, and other applicable laws and regulations for FYE2025.

This CG Overview Statement was approved by the Board on 9 April 2026.

Audit and Risk Management Committee Report

The Board of Directors ("the Board") of LAC Med Berhad ("Company") is pleased to present the Audit and Risk Management Committee ("ARMC") Report pursuant to Paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

The ARMC was established on 15 April 2025 to assist the Board in fulfilling its statutory and fiduciary responsibilities in relation to financial reporting, internal control, risk management, and both internal and external audit matters. In line with best practices, the ARMC plays a key role in ensuring the integrity of financial reporting, the adequacy and effectiveness of internal controls, and the robustness of the Group's risk management framework.

Operating in accordance with its Terms of Reference ("TOR"), the ARMC has discharged its duties in dependently and objectively throughout the financial year ended 31 December 2025 ("FYE2025"). It has reviewed and monitored financial reporting processes, risk management systems, internal audit findings and the performance of external auditors. In doing so, the ARMC has ensured that the Company and its subsidiaries ("LAC Med" or "the Group") maintains high standards of corporate governance, transparency, and accountability, safeguarding the long-term interests of shareholders and stakeholders alike.

Composition of the ARMC

During the FYE2025, the ARMC comprised three (3) members, all of whom are Independent Non-Executive Directors. The ARMC is chaired by Mr. Goh Teck Hong, an Independent Non-Executive Director, who is not the Chairman of the Board.

Name	Position	Directorship	Appointment Date
Goh Teck Hong	Chairman	Independent Non-Executive Director	15 April 2025
Dato' Ng Wan Peng	Member	Senior Independent Non-Executive Director	15 April 2025
Lim Su May	Member	Independent Non-Executive Director	15 April 2025

The composition of the ARMC fully complies with the requirements set out under Paragraphs 15.09 (a) and (b) and 15.10 of the MMLR. The composition of the ARMC ensures independent oversight of financial reporting, risk management, internal control, and audit functions, in line with Practices 9.1 and 9.4 of the Malaysian Code on Corporate Governance ("MCCG").

All members of the ARMC are financially literate and possess sufficient understanding of the Group's businesses. The ARMC Chairman, Mr. Goh Teck Hong, is a Certified Practising Accountant of CPA Australia and a Chartered Accountant of the Malaysian Institute of Accountants. This meets the requirements of Paragraph 15.09(c) of the MMLR, which stipulates that at least one (1) member of the ARMC must have the requisite accounting or financial management expertise.

Continuing Education

The ARMC recognises the importance of continuous professional development to ensure its members remain effective in discharging their duties. Details of the training programmes attended by the Directors are disclosed on pages 89 to 90.

ARMC Meeting

As the Company was listed on the Main Market of Bursa Securities on 10 December 2025, the ARMC only held one (1) meeting on 21 November 2025 to perform its initial oversight functions in line with its TOR and regulatory requirements.

The details of the attendance of each ARMC member are as follows:

Name	No. of meeting attended	Attendance Percentage
Goh Teck Hong	1/1	100%
Dato' Ng Wan Peng	1/1	100%
Lim Su May	1/1	100%

Audit and Risk Management Committee Report

ARMC Meeting (Cont'd)

The meeting was arranged and coordinated by the Company Secretary, who also ensured that the agenda and relevant presentation materials were circulated to the ARMC members in advance to facilitate informed discussion and decision-making. The meeting was attended by all ARMC members, and upon invitation by the ARMC, the Group Chief Executive Officer ("GCEO"), Chief Financial Officer ("CFO"), Head of Internal Audit and Risk Management ("HIARM"), management representatives and the external auditors also attended the meeting. The ARMC also met the external auditors in a private session without the presence of management to discuss audit matters independently.

The ARMC Chairman subsequently reported the key matters discussed, recommendations and decisions of the ARMC to the Board to ensure that the Board is fully informed of the ARMC's deliberations and findings. The proceedings of the meetings were minuted by the Company Secretary and the minutes were subsequently circulated to the ARMC members for review and confirmation in the following ARMC meeting to be held.

Summary of the activities of the ARMC

During the FYE2025, the ARMC focused on ensuring the integrity, accuracy, and transparency of the Group's financial reporting, the adequacy and effectiveness of internal controls, and the robustness of the risk management processes, while providing assurance that the Group complied with regulatory and governance requirements. The summary of activities undertaken by the ARMC is summarised as follows

(1) Financial Reporting

- Reviewed the unaudited quarterly financial results for the periods ended 30 September 2025 and 31 December 2025 and the audited financial statements for FYE2025 prior to recommending them to the Board for approval and release to Bursa Malaysia;
- Engaged in detailed discussions with the CFO and management on significant accounting issues, estimates and judgments made in preparing the financial statements;
- Confirmed compliance with applicable financial reporting standards, MMLR disclosure requirements, and other regulatory obligations.

(2) External Audit

- Reviewed the external auditors' audit planning memorandum for the FYE2025, including audit scope, key audit areas, and planned procedures;
- Discussed any significant audit matters identified during the planning stage, including key risks and areas requiring management attention;
- Conducted a private session with the external auditors without the management present, allowing open discussion of audit matters, observations, and professional judgments independently of management.

(3) Internal Audit

- Reviewed and approved the risk-based internal audit plan, which was developed based on the Group's risk profile, key business processes, and regulatory requirements;
- Assessed the adequacy of internal audit resources and approved the budget for the Internal Audit Department to ensure it was appropriately resourced to carry out its mandate effectively;
- Assessed the adequacy, competency, and independence of the internal audit function.

(4) Risk Management and Internal Control

- Reviewed the first baseline risk report to identify key risks across the Group;
- Reviewed the risk management planning timetable for the financial year ending 31 December 2026 to ensure systematic identification, assessment, and monitoring of risks;
- Ensured that risks were appropriately monitored, reported, and escalated to the Board where necessary.

Audit and Risk Management Committee Report

Summary of the Work of the ARMC (Cont'd)

(5) Related Party Transactions, Recurrent Related Party Transactions and Conflict of Interest

- Reviewed all related party transactions ("RPT") and recurrent related party transactions ("RRPT") to ensure that they were conducted on an arm's length basis and in accordance with the Group's RPT Policy and regulatory requirements;
- Considered any potential conflicts of interest ("COI") situations brought to the ARMC's attention and there was none during the FYE2025;
- Monitored the submission of COI declaration forms by directors and key senior management to ensure that any actual or potential conflicts were disclosed and properly addressed.

During the FY2025, the ARMC was satisfied that there was no RPTs or COI matters that required reporting to the Board.

(6) Annual Report

- Reviewed and endorsed the relevant sections of the draft Annual Return 2025, which include the Chairman's Statement, Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control ("SORMIC"), Additional Compliance Information and Disclosure of Financial Data for Shariah Screening for the Board's approval and inclusion in the Annual Report.

The ARMC was informed that the external auditors of the Company, Crowe Malaysia PLT had reviewed the SORMIC and nothing has come to their attention that causes them to believe that the statement is not prepared, in accordance with the disclosures required.

Internal Audit Function

The in-house Internal Audit Department was established on 6 October 2025 to provide independent, objective assurance and advisory services to the Board, the ARMC and the management. The department plays a key role in supporting the Board's oversight of governance, risk management, and internal control processes across the Group.

The Internal Audit department is currently headed by Ms. Tan Yunn Lng, the HIARM, a fellow member of the Association of Chartered Certified Accountants. The internal audit function operates in accordance with the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors Malaysia ("IIA") and the COSO Framework ensuring adherence to globally recognised professional standards and best practices. Functionally, the HIARM reports to the ARMC, ensuring its independence, while administratively reporting to the GCEO to facilitate access to resources and coordination with management.

Although the department has not yet commenced its audit activities during the FYE2025, its scope has been clearly defined and will cover:

- Governance review: Assessing the effectiveness of the Group's governance structures and processes.
- Risk management oversight: Evaluating the adequacy of risk identification, assessment, and mitigation processes.
- Internal control assessment: Reviewing the design and implementation of internal controls across key operational, financial, and compliance processes.
- Advisory services: Providing guidance and recommendations to management to strengthen controls and operational efficiency.
- Monitoring readiness: Establishing mechanisms to track the implementation of audit recommendations once audits commence.

A strategic internal audit plan for the financial years 2026 to 2028 or has been developed, presented and approved by the ARMC. The plan prioritises audits based on the Group's risk profile, ensuring that high-risk areas are addressed proactively. Audit activities are conducted using systematic, objective, and evidence-based methodologies, aligned with best practices in internal auditing.

Audit and Risk Management Committee Report

Internal Audit Function (Cont'd)

The establishment of the Internal Audit Department demonstrates the Group's commitment to strengthening governance, risk management and internal controls. The Board, through the ARMC has reviewed the department's structure, resources and approved the audit plan and is satisfied that the function is independent, adequately resourced and positioned to provide effective assurance in the upcoming financial year.

The total costs incurred for the Group internal audit function since the establishment of internal audit department amounted to RM57,577.

The Board is satisfied that the ARMC members collectively bring an appropriate balance of skills, experience and independence necessary for the effective discharge of the ARMC's roles and responsibilities.

Additional Compliance Information

1. Utilisation of Proceeds Raised from Corporate Proposals

LAC Med Berhad ("the Company") was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 December 2025 ("the Listing"). In conjunction with the Listing, the Company undertook a public issue of 74,197,600 new ordinary shares in the Company at an issue price of RM0.75 per share, raising gross proceeds of RM55.6 million.

The status of the utilisation of the proceeds as at 31 December 2025 are as follows.

Details	RM'000	%	Utilisation RM'000	Estimated time frame for use of proceeds from the date of the Listing
Capital expenditure				
- Selling up new head office and warehouse	12,000	21.6	-	Within 36 months
- Expansion of Indonesian business	8,000	14.4	-	Within 36 months
- Establishment of EaaS and MEAMS	8,000	14.4	-	Within 36 months
Repayment of bank borrowings	16,000	28.7	16,000	Within 12 months
Working capital	6,148	11.0	602	Within 24 months
Estimated listing expenses	5,500	9.9	2,425	Within 1 month
Total	55,648	100.0	19,027	

2. Audit and Non-audit Fees

The amount of audit and non-audit fees paid or payable by LAC Med Berhad and its group of companies ("LAC Med" or "the Group") to the external auditors and their affiliated companies for financial year ended 31 December 2025 are as follows:

	Group (RM'000)	Company (RM'000)
Statutory audit		
- Current year	167	42
Non-statutory audit	433	433
Total	600	475

3. Material Contract

There were no material contracts entered into by the Group involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2025 or entered into since the end of the previous financial year.

Additional Compliance Information

4. Recurrent Related Party Transactions

Save for those disclosed in Note 37(b) of the financial statements, no other Recurrent Related Party Transactions ("RRPT") were entered into by the Group as at 31 December 2025.

Following the Listing, the Company will seek its shareholders' ratification and first shareholders' mandate for the RRPT at the forthcoming first Annual General Meeting ("1st AGM") to be held on 18 May 2026. Further details of the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for RRPT of a Revenue or Trading Nature are provided in the Circular to Shareholders dated 17 April 2026.

5. Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group business activities and interest based financial position.

(a) Group Total Income and Total Assets

	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Total Income			
Revenue		201,655	183,216
Interest/Finance income		1,030	500
Other Income		222	90
Total		202,907	183,806
Total Assets		215,230	128,108

(b) Business Activities

	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Shariah Non-Compliant Activities			
Interest income	Conventional	934	478
Total		934	478

(c) Component of Financial Position

(i) Cash Component

	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Islamic Account/Instruments			
Cash and bank balances (exclude cash in hand)		15,773	235
Deposits with licensed bank		15,029	948
Short-term funds		34,342	-
Total Cash		65,144	1,183

Additional Compliance Information

5. Disclosure of Financial Data for Shariah Screening (Cont'd)

(c) Component of Financial Position (Cont'd)

(i) Cash Component (Cont'd)

Conventional Account/Instruments	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Cash and bank balances (exclude cash in hand)		14,772	15,604
Deposits with licensed bank		7,302	29,149
Cash in hand (to be placed under Islamic Account/Instruments only)		4	5
Total Cash		22,078	44,758

(ii) Debt Component

Islamic Financing Current	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Trade financing		3,493	1,541
Revolving credit		5,000	-
Total Financing		8,493	1,541

Conventional Borrowing Current	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Trade financing		17,069	16,604
Term loans		174	771
Invoice financing		364	-
Hire purchase payables		59	57
Non-Current			
Term loans		1,068	1,297
Hire purchase payables		41	100
Total Financing		18,775	18,829

6. List of Material Properties

As at 31 December 2025, the Group does not own any material properties.

Statement of Risk Management and Internal Control

In accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, the Board of Directors ("Board") is pleased to present this Statement on Risk Management and Internal Control ("SORMIC") for LAC Med Berhad and its group of companies ("LAC Med" or "the Group") for the Financial Year Ended 31 December 2025 ("FYE2025").

This Statement outlines the Board's responsibility for maintaining a sound system of risk management and internal control, as well as the key features of the Group's risk management framework and internal control processes designed to safeguard shareholders' investment and the Group's assets.

The Board's Responsibilities

The Board acknowledges that an effective risk management and internal control system is essential in supporting the achievement of the Group's strategic objectives, enhancing operational efficiency, ensuring compliance with applicable laws and regulations and managing risks to an acceptable level.

The Board has oversight responsibility to identify, evaluate and manage the principal risks faced by the Group, including financial, operational, strategic, compliance and reputational risks. This includes setting the appropriate risk appetite and ensuring that significant risks are properly monitored and addressed. While the Board delegates certain oversight functions to the Audit and Risk Management Committee ("ARMC") and management, it remains ultimately accountable for the effectiveness of the Company's risk management and internal control systems.

The Board recognises that the system of risk management and internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can therefore only provide reasonable and not absolute, assurance against material misstatement, loss or fraud.

The Board has a stewardship responsibility to understand the risks, provide guidance and to ensure risk are managed proactively, in a structured and consistent manner. The following guiding principles were established for ERM implementation and applicable to all operations across the Group.

- To manage risk proactively;
- To manage both positive and negative risks;
- To manage risks to an acceptable level based on particular circumstances of each situation;
- To ensure that risk assessment is regularly conducted and that the process is embedded in the business processes.
- To consistently manage risk in a transparent and integrated manner in accordance with good governance practices.

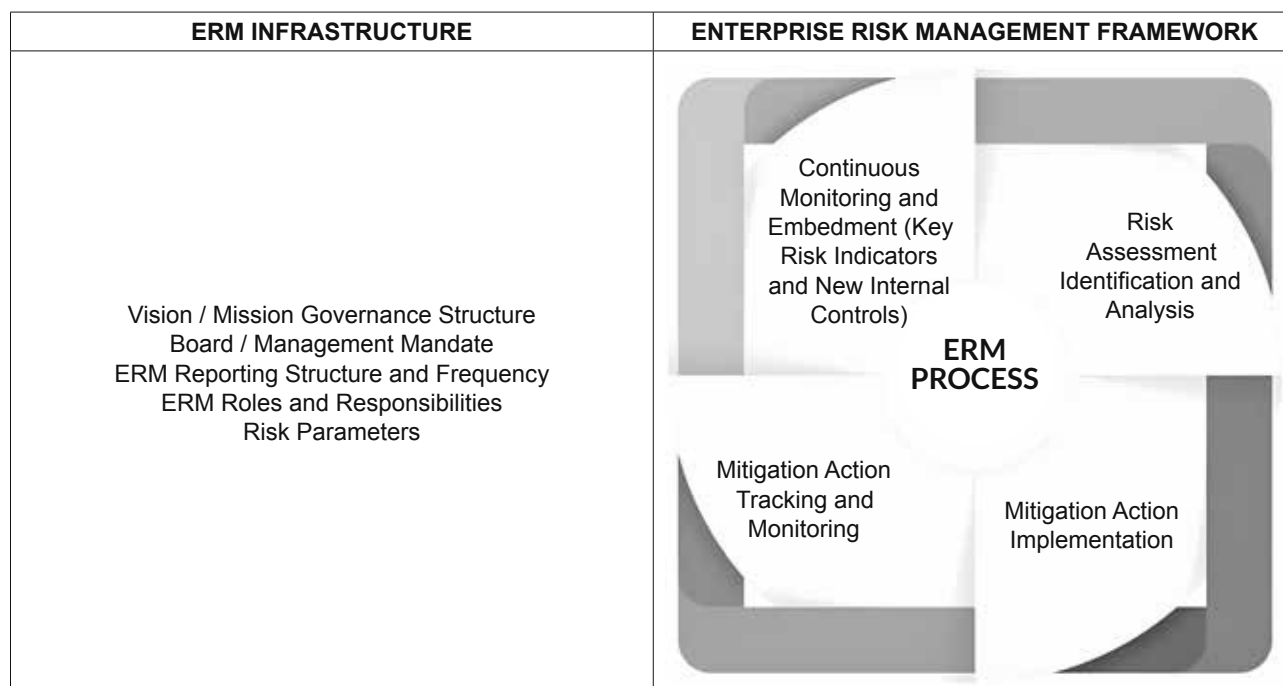
Enterprise Risk Management Framework

The Board, with the management support has established an Enterprise Risk Management ("ERM") framework and policy to identify, assess, manage and monitor risks that may affect the achievement of the Group's strategic and business objectives. The ERM framework provides a structured and consistent approach to risk management across the Group and is integrated into the Group's strategic planning and operational processes.

The ERM framework and policy includes the principles, responsibilities, risk governance structure and processes for risk identification, assessment, mitigation, monitoring and reporting. The ERM framework for managing risk is illustrated below.

Statement of Risk Management and Internal Control

Enterprise Risk Management Framework (Cont'd)



The Group's ERM infrastructure is built on a robust foundation comprising the Group's vision and mission, governance structure, Board and management mandate, clearly defined roles and responsibilities, reporting lines and risk parameters. The ERM process operates in a continuous cycle, beginning with the identification and analysis of risks, followed by the implementation of mitigation actions. These actions are subsequently monitored and tracked to ensure effectiveness, with any new internal controls incorporated as necessary. The process is supported by continuous monitoring and embedded practices, including key risk indicators, to ensure that risks are managed proactively and that the ERM framework remains aligned with the Group's strategic objectives.

Principles for an effective ERM practices:

The Group adopts the following principles for an effective ERM practices:

Integrated	Structured and Comprehensive	Human and Cultural Factors	Inclusive	Best Available Info	Dynamic
Forms an integral part of all the Group's processes	Contributes to the efficiency and consistency of information gathering process	Human behaviour and organisational culture influence ERM and the achievement of objectives.	Appropriate and timely involvement of stakeholders	ERM explicitly takes into account any limitations and uncertainties	Risk can emerge, change or disappear as an organisation's context changes

Statement of Risk Management and Internal Control

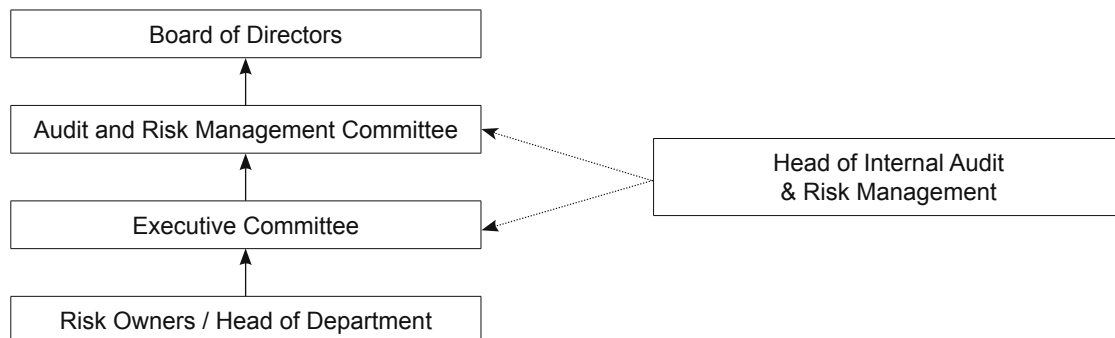
Risk Governance Structures and Responsibilities

An effective risk reporting structure enables structured communication, accountability, authority and appropriate competence for managing risks. Oversight begins with the Board, which provides strategic direction and ensures the effectiveness of risk management and internal controls. Management through its Executive Committee (“EXCO”) is responsible for identifying and managing risks within their respective functions and for implementing appropriate controls and mitigation measures.

To ensure accountability at all levels, each risk is assigned a designated risk owner, typically a manager or functional head, who is accountable for overseeing the identification, assessment, monitoring and mitigation of that risk. Risk co-owners and supporting staff assist the risk owner in executing mitigation actions, maintaining controls and reporting on the status of risk management activities.

Significant risks and material changes in the Group’s risk profile are reported to the ARMC on quarterly basis which provides oversight of the ERM framework and escalates key risk matters to the Board for consideration, where necessary. The Board, through the ARMC, reviews the effectiveness of the ERM framework on an ongoing basis to ensure that material risks are appropriately managed within the Group’s approved risk appetite and that the framework remains relevant to the Group’s evolving business and operating environment.

The ERM reporting structure is shown in the diagram below.



During the first ARMC meeting, the first baseline risk report prepared by Head of Internal Audit and Risk Management (“HIARM”) was presented, providing an overview of the Group’s key risks. A risk register has been established and is maintained to systematically track and monitor identified risks, their potential impact and corresponding mitigation measures. During the deliberations, the HIARM and Chief Financial Officer actively participated in discussing the key risk areas.

The ARMC also reviewed and approved the risk management planning timetable for financial year ending 31 December 2026, ensuring that risk identification, assessment and monitoring processes are embedded into the Group’s operational and strategic planning for the upcoming year.

As LAC Med Berhad was newly listed on 10 December 2025, efforts have been focused on enhancing risk awareness and keeping staff updated on all governance, strengthening internal controls and compliance matters. All employees attended mandatory training on “Corporate Liability and Corruption Awareness” held on 10 November 2025 and the first risk bulletin was circulated to provide updates on key governance policies, internal controls and emerging risk areas. These initiatives aim to foster a strong risk culture across the Group and ensure that all staff clearly understand their roles and responsibilities in managing risks effectively.



Statement of Risk Management and Internal Control

Sustainability Governance and Integration

The Board recognises the importance of sustainability in supporting the Group's long-term strategy and creating value for stakeholders. Oversight of sustainability matters is integrated into the Board governance processes, with clear roles and responsibilities.

The Board provides strategic direction and ensures environmental, social and governance ("ESG") considerations are integrated into the Group's strategy and risk management framework, while the EXCO supports implementation of sustainability-related initiatives, monitors progress and ensures sustainability considerations are incorporated into business operations.

A Sustainability Working Group, comprising representatives from relevant functions, has been established to support EXCO in coordinating sustainability initiatives, facilitating data collection and reporting, setting baseline and targets for reporting to stakeholders, identifying sustainability-related risks and opportunities and promoting awareness across the organisation, fostering a culture where sustainability considerations are embedded in the Group's decision-making. The Head of the Sustainability Working Group reports to EXCO, with key matters escalated to the Board where appropriate where necessary.

The Group has identified key sustainability challenges, including resource efficiency, regulatory compliance, climate-related risks, social responsibility and governance matters. These challenges are considered in the risk management framework and corresponding mitigation measures are incorporated into operational processes and corporate policies.

Being newly listed in the Main Market of Bursa Securities, the Group is embarking on its sustainability journey, with efforts focused on building awareness, strengthening governance and identifying sustainability-related risks that may impact the Group's long-term value creation. Relevant ESG risks are integrated, where applicable, into the Group's risk identification and assessment process under the existing framework and are assessed alongside other key risks.

The Group remains committed to strengthening the integration of sustainability considerations into its risk management practices, supported by continuous enhancements to sustainability governance and reporting capabilities, to enhance resilience against emerging ESG risks and maintain stakeholder confidence.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls within the Group, encompassing financial, operational, compliance and information technology controls. These controls are designed to provide reasonable assurance of the integrity of financial reporting, safeguard assets, ensure compliance with applicable laws and regulations and support the achievement of the Group's objectives.

The Group's internal control framework is embedded within its risk management processes and is regularly reviewed and monitored by management, with oversight provided by the ARMC. Key elements of the framework include:

- Clearly defined roles and responsibilities – Roles and responsibilities are clearly documented and supported by Terms of Reference (TOR) and Delegation of Authority Limits (DAL), providing accountability and clarity in the execution of tasks.
- Establishment of EXCO – EXCO oversees operational and strategic decision-making, monitors the implementation of internal controls and ensures that management actions align with the Group's objectives and risk appetite.
- Corporate policies and procedures – Comprehensive policies provide guidance on operational, financial, compliance and governance matters, promoting consistency and regulatory compliance.
- Segregation of duties – Critical processes are designed to separate key responsibilities across personnel to prevent conflicts of interest, errors, or fraudulent activities, ensuring checks and balances in operational and financial processes.
- Authorisation and approval procedures – All significant transactions and decisions are subject to defined approval protocols, ensuring they are reviewed and authorised by personnel with appropriate authority in line with DAL and risk parameters.

Statement of Risk Management and Internal Control

Internal Control (Cont'd)

The Group's internal control framework is embedded within its risk management processes and is regularly reviewed and monitored by management, with oversight provided by the ARMC. Key elements of the framework include: (Cont'd)

- Training and development – Staff participate in regular training programs to enhance competency, awareness and understanding of their roles in maintaining effective internal controls and compliance with policies.
- Performance appraisal and Key Performance Indicators (KPIs) – Staff performance is monitored and assessed through KPIs and appraisal processes, ensuring accountability, alignment with organisational objectives and reinforcement of a strong control culture.
- Continuous monitoring of operational activities – Internal controls are regularly monitored through ongoing management oversight and periodic independent reviews by the Internal Audit and Risk Management Department, which assesses effectiveness, identifies gaps and ensures timely corrective actions.
- Proper record maintenance - Complete records are maintained for all significant transactions, decisions and operational activities, providing traceability, supporting internal control processes.
- Independent audits and regulatory compliance – Internal controls and processes are subject to periodic audits, including ISO 13485 certification audits and Good Distribution Practice for Medical Devices ("GDPMD") audits, which ensure compliance with regulatory requirements, verify the effectiveness of quality management systems and identify areas for improvement.

Internal Audit

The Internal Audit function provides independent and objective assurance to the Board, through the ARMC, on the adequacy and effectiveness of the Group's risk management, internal control and governance processes. The function operates in accordance with the International Professional Practices Framework issued by the Institute of Internal Auditors Malaysia and reports functionally to the ARMC to maintain independence.

Internal Audit develops and executes a risk-based annual audit plan, approved by the ARMC, to ensure that high-risk areas across the Group's operations are assessed systematically. The scope of audits covers strategic, financial, operational, compliance, quality management and information technology controls. This includes oversight of regulatory compliance audits, such as ISO:13485 certification audits and the GDPMD audits, to ensure adherence to regulatory and quality standards. Findings are communicated to the management for timely corrective actions and follow-up reviews are conducted to confirm that recommendations are implemented and internal controls remain effective.

Internal Audit also considers the integration of sustainability-related risks within the Group's risk management framework, including ESG considerations, in planning its audit activities. For the current year, the Internal Audit function presented the risk-based annual audit plan, which includes the consideration of ESG-related risks, performing a limited assurance review on some of the ESG material matters alongside other key operational, financial and compliance risks, to provide assurance that emerging risks are appropriately identified, evaluated and mitigated.

Through these activities, Internal Audit provides the Board with assurance on the effectiveness of the ERM framework, the reliability of internal controls and the integrity of risk management processes, supporting informed decision-making, enhancing accountability and strengthening the Group's overall control environment.

Review of this Statement by External Assurance

In accordance with Paragraph 15.23 of the MMLR, the Statement on Risk Management and Internal Control has been reviewed by the Group's external auditors, Crowe Malaysia PLT in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysia Institute of Accountants. The review provided limited assurance that the Statement appropriately reflects the Group's risk management and internal control processes during the financial year.

Statement of Risk Management and Internal Control

Review of this Statement by External Assurance (Cont'd)

The review did not identify any matters that came to the auditors' attention that would materially affect the adequacy of the Group's risk management and internal control disclosures. The external assurance provides additional confidence to the Board and stakeholders that the SORMIC fairly presents the key risk management and internal control practices adopted by the Group. It is noted, however, that, in accordance with AAPG 3, the SORMIC does not constitute an opinion on the effectiveness of the Group's internal controls or risk management framework.

Assurance from Management

The Group Chief Executive Officer, Chief Financial Officer and other key senior management have provided assurance to the Board that the Group's risk management and internal control systems are operating effectively in all material aspects, during the financial year under review and up to the date of approval of this Statement.

Conclusions

The Board is of the view that the Group's risk management and internal control systems have been adequately maintained and are operating effectively in all material aspects during the financial year. These systems provide reasonable assurance that risks are being appropriately identified, evaluated and managed and that the Group's operations are conducted in compliance with applicable laws, regulations and internal policies.

The Board remains committed to continuously enhancing these systems on an ongoing basis, including further embedding sustainability-related risk considerations, to safeguard the interests of stakeholders. Through these efforts, the Group aims to strengthen its risk culture and governance framework, ensuring long-term resilience and sustainable value creation.

The Statement of Risk Management and Internal Control was approved by the Board on 9 April 2026.

Statement on Directors' Responsibilities

The Directors are required by the Companies Act 2016 and the Bursa Malaysia Main Market Listing Requirements to express an opinion on the financial statements of the Company and its group of companies.

The Directors are of the opinion that the financial statements set out on pages 127 to 210 are properly drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the provisions of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2025, and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements for the FYE2025, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured compliance with all applicable approved accounting standards; and
- prepared the financial statements on a going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for ensuring that the Company maintains proper accounting records that reliably reflect the financial position of the Company and the Group at any time and enable compliance with statutory and regulatory requirements.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

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Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year/period ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The information on the name, country of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" section of this report.

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

CONVERSION TO BERHAD STATUS

The Company was incorporated in Malaysia as a private limited liability company. On 14 April 2025, the Company was converted to a public limited liability company. Consequently, the Company assumed the name of LAC Med Berhad.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year/period	21,924,099	3,514,387
Attributable to:-		
Owners of the Company	21,986,114	3,514,387
Non-controlling interests	(62,015)	-
	<u>21,924,099</u>	<u>3,514,387</u>

Directors' Report

DIVIDEND

On 9 April 2026, the Company declared a final dividend of 0.65 sen per ordinary share amounting to RM2,600,000 in respect of the current financial period, payable on 15 June 2026, to shareholders whose names appeared in the record of depositors on 28 May 2026. The financial statements for the current financial year do not reflect this final dividend. Such a dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year/period other than the following:-

	Merger Deficits RM
The Group	
Adjustment on acquisition of subsidiaries	(45,839,047)

ISSUES OF SHARES AND DEBENTURES

The Company was incorporated with a total paid-up share capital of RM10 comprising 20 ordinary shares.

During the financial period:-

- (a) the Company increased its issued and paid-up share capital from RM10 to RM104,518,567 by way of:-
 - (i) issuance of 325,802,380 new ordinary shares at RM0.15 each pursuant to acquisition of subsidiaries as disclosed in the "Significant Events During the Financial Year/Period" section; and
 - (ii) issuance of 74,197,600 new ordinary shares for a cash consideration of RM0.75 each in conjunction with the initial public offering ("IPO") of Main Market of Bursa Malaysia Securities Berhad as disclosed in the "Significant Events During the Financial Year/Period" section.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

Directors' Report

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report

CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year/period which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year/period.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year/period were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year/period in which this report is made.

Directors' Report

DIRECTORS

The names of directors of the Company who served during the financial year/period and up to the date of this report are as follows:-

Liew Yoon Poh (Appointed on 22.11.2024)
 Liew Yoon Kit (Appointed on 15.4.2025)
 Chan Yue Mun (Appointed on 15.4.2025)
 Goh Teck Hong (Appointed on 15.4.2025)
 Dato' Ng Wan Peng (Appointed on 15.4.2025)
 Lim Su May (Appointed on 15.4.2025)
 Hong Chong Chet (Appointed 22.11.2024; Resigned on 15.4.2025)

The names of directors of the Company's subsidiary who served during the financial year/period and up to the date of this report, not including those directors mentioned above, are as follows:-

Budi Gautama
 Hong Chong Chet
 Teh Peng Ting (Appointed on 30.4.2025)
 Noor Izwan Fazly Bin Nor Azman (Resigned on 30.4.2025)
 Giam Teck Eng (Resigned on 30.4.2025)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial period in shares of the Company during the financial period are as follows:-

< ----- Number of Ordinary Shares ----- >				
	At 22.11.2024/ Date of Appointment	Bought	Sold	At 31.12.2025
The Company				
<i>Direct Interests</i>				
Liew Yoon Poh	5	95,678,695	(12,000,000)	83,678,700
Liew Yoon Kit	5	74,416,095	(9,000,000)	65,416,100
Chan Yue Mun	5	74,416,095	-	74,416,100
Goh Teck Hong	-	100,000	-	100,000
Dato' Ng Wan Peng	-	100,000	-	100,000
Lim Su May	-	100,000	-	100,000

Directors' Report

DIRECTORS' BENEFITS

Since the date of incorporation, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 except for any benefits which may be deemed to arise from the following transactions:-

	The Group RM
Sales to a company in which a director has a substantial financial interest	284,340
Purchase of trading goods from companies in which certain directors have substantial financial interests	(8,077,184)
Agency fees paid/payable to a company in which a director has a substantial financial interest	(104,984)
Rental of premises paid/payable to a company in which a director has a substantial financial interest	(186,000)
Deposit paid to a company in which a director has a substantial financial interest	(2,250)

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

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year/period are as follows:-

	From the Company RM	From the Subsidiaries RM	Total RM
Fee	212,500	-	212,500
Salaries, bonuses and other benefits	310,696	292,759	603,455
Defined contribution benefits	32,400	34,166	66,566
Estimated monetary value of benefits-in-kind	20,263	11,056	31,319
	<u>575,859</u>	<u>337,981</u>	<u>913,840</u>

Directors'
Report**INDEMNITY AND INSURANCE COST**

During the financial period, the amount of insurance effected for the directors and officers of the Company and its subsidiaries was RM500,000.

SUBSIDIARIES

(a) The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent	Principal Activities
<i>Subsidiaries of the Company</i>			
LAC Medical Supplies Sdn Bhd	Malaysia	100%	Supply and integration of medical devices, and related products and services.
CVS Medical Sdn Bhd	Malaysia	100%	Supply and integration of medical devices, and related products and services.
Gocloud Solutions Sdn Bhd	Malaysia	100%	Provision of ICT product and services for healthcare facilities.
PT Fairmed Imaging Nusajaya	Indonesia	95%	Supply and integration of medical devices, and related products and services.

(b) The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

Directors' Report

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR/PERIOD

- (a) In conjunction with, and as an integral part of the listing of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad, the Company has undertaken the following restructuring exercise:-

Acquisition of shares

On 9 April 2025, the Company entered into Share Sale Agreements to acquire the equity interest in the following companies:

- (i) Acquisition of the entire equity interest in LAC Medical Supplies Sdn Bhd for a total purchase consideration of RM34,383,117, to be satisfied via the issuance of 229,220,780 new shares at an issue price of RM0.15 per share;
- (ii) Acquisition of the entire equity interest in CVS Medical Sdn Bhd for a total purchase consideration of RM13,455,930, to be satisfied via the issuance of 89,706,200 new shares at an issue price of RM0.15 per share; and
- (iii) Acquisition of the entire equity interest in GoCloud Solutions Sdn Bhd for a total purchase consideration of RM1,031,310, to be satisfied via the issuance of 6,875,400 new shares at an issue price of RM0.15 per share.

The acquisitions of the above companies were completed on 4 September 2025.

- (b) In conjunction with, and as an integral part of the listing of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad, the following listing scheme was undertaken by the Company:-

- (i) Public issue of 74,197,600 new ordinary shares in the Company at an issue price of RM0.75 per share ("IPO Price") allocated in the following manner:-
 - (a) 20,000,000 new shares made available for application by the Malaysian Public;
 - (b) 4,197,600 new shares made available for application by the eligible directors, and employees of the Company and persons who have contributed to the success of the Company; and
 - (c) 50,000,000 new shares made available by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia.
- (ii) Offer for sale of 30,000,000 existing shares by way of private placement to selected investors at the IPO Price.

The Company's entire enlarged issued and paid-up share capital comprising 400,000,000 ordinary shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 10 December 2025.

Directors' Report

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year/period are as follows:-

	The Group RM	The Company RM
Audit fees	166,903	41,500
Non-audit fees	433,200	433,200
	<u>600,103</u>	<u>474,700</u>

Signed in accordance with a resolution of the directors dated 9 April 2026.

Liew Yoon Poh

Liew Yoon Kit

Statement by Directors

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

We, Liew Yoon Poh and Liew Yoon Kit, being two of the directors of LAC Med Berhad, state that, in the opinion of the directors, the financial statements set out on pages 127 to 210 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year/period ended on that date.

Signed in accordance with a resolution of the directors dated 9 April 2026.

Liew Yoon Poh

Liew Yoon Kit

Statutory Declaration

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

I, Thean Yain Peng, MIA Membership Number: 15516, being the officer primarily responsible for the financial management of LAC Med Berhad, do solemnly and sincerely declare that the financial statements set out on pages 127 to 210 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Thean Yain Peng, NRIC Number: 680407-10-6934
at Kuala Lumpur
in the Federal Territory
on this 9 April 2026

Thean Yain Peng

Before me

Shaiful Hilmi Bin Halim
License No.: W 804
Commissioner for Oaths

Independent Auditors' Report to the Members of LAC Med Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LAC Med Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, 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/period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 127 to 210.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year/period then ended in accordance with Malaysian Financial Reporting Standards, 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. 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.

Independent Auditors' Report to the Members of LAC Med Berhad (Cont'd)

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/period. 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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition and contract assets and liabilities Refer to Notes 14 and 28 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
Revenue is one of the largest accounts in the financial statements and an important driver of the Group's operating results. We focus on this area as it involves significant management judgement and estimates in determining the revenue recognition when (or as) the Group satisfy a performance obligation either over time or at a point in time. The recognition of revenue is therefore dependent on amongst others, the Group's budgeted project costs and costs incurred to-date. This is a key audit matter as the amount is significant and the determination of the project progress requires significant judgement by management.	Our procedures included, amongst others:- • Verified contracts secured and reviewed budgeted costs; • Assessed the estimated total contract costs to complete through enquiries with management; • Assessed reliability of contract budgets by comparing to actual costs incurred; • Performed verification on the actual progress billings issued and actual costs incurred for the financial year; • Recomputed revenue recognised and checked calculation of the percentage of completion; and • Reviewed the adequacy of the Group's disclosures in respect of revenue.

Independent Auditors' Report to the Members of LAC Med Berhad (Cont'd)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report. (Cont'd)

Recoverability of trade receivables and contract assets Refer to Notes 12 and 14 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
As at 31 December 2025, the Group's carrying amounts of trade receivables and contract assets were RM30,283,851 and RM49,858,298 respectively. The management assess the allowance of impairment losses on trade receivables and contract assets based on the following:- 1. Customers' payment and credit history; and 2. Specific known facts or circumstances on customers' ability to pay. We determined this to be a key audit matter as the amount is significant and the impairment assessment of trade receivables and contract assets involved significant management judgement.	Our procedures included, amongst others: • Reviewed the ageing analysis of receivables and tested its accuracy; • Reviewed subsequent cash collections for major receivables and overdue amounts; • Examined, where applicable, other evidence including customers' correspondences, proposed or existing settlement plans and repayment schedules; • Evaluated, where applicable, the reasonableness and tested the adequacy of the Group's impairment losses recognised for identified exposures on trade receivables and contract assets by assessing the relevant assumptions and historical data from the Group's previous collection experience; and • Review the adequacy of the Group's disclosure in this area.

There are no key audit matters to report for the Company.

Independent Auditors' Report to the Members of LAC Med Berhad (Cont'd)

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 the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, 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 Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of LAC Med Berhad (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report to the Members of LAC Med Berhad (Cont'd)

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 6 to the financial statements.

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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

9 April 2026

Lean Wei Ee
03827/05/2026 J
Chartered Accountant

Statement of Financial Position

As at 31 December 2025

		The Group		The Company
	NOTE	2025	2024	2025
		RM	RM	RM
ASSETS				
NON-CURRENT ASSETS				
Investments in subsidiaries	6	-	-	51,577,857
Property, plant and equipment	7	9,596,985	1,415,586	14,533
Right-of-use assets	8	217,001	47,782	-
Intangible assets	9	2,832,043	-	-
Deferred tax assets	10	2,043,064	2,658,836	-
		<u>14,689,093</u>	<u>4,122,204</u>	<u>51,592,390</u>
CURRENT ASSETS				
Inventories	11	27,776,196	20,797,656	-
Trade receivables	12	30,283,851	35,705,563	-
Other receivables, deposits and prepayments	13	5,391,018	18,367,901	8,039,250
Contract assets	14	49,858,298	3,034,612	-
Amount owing by a director	15	-	139,500	-
Amount owing by a related party	16	9,760	-	-
Amount owing by subsidiaries	17	-	-	10,146,607
Short-term investments	18	34,341,939	-	34,341,939
Fixed deposits with licensed banks	19	22,331,330	30,097,211	-
Cash and bank balances		30,548,627	15,843,630	2,470,496
		<u>200,541,019</u>	<u>123,986,073</u>	<u>54,998,292</u>
TOTAL ASSETS		<u>215,230,112</u>	<u>128,108,277</u>	<u>106,590,682</u>

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

Statement of Financial Position

As at 31 December 2025 (Cont'd)

		The Group		The Company
	NOTE	2025 RM	2024 RM	2025 RM
EQUITY AND LIABILITIES				
EQUITY				
Share capital	20	102,198,217	2,000,010	102,198,217
Merger deficit	21	(45,839,047)	-	-
Foreign exchange translation reserve	22	(266,379)	(3,667)	-
Retained profits		62,751,813	45,765,699	3,514,387
Equity attributable to owners of the Company		118,844,604	47,762,042	105,712,604
Non-controlling interests		60,570	136,412	-
TOTAL EQUITY		118,905,174	47,898,454	105,712,604
NON-CURRENT LIABILITIES				
Lease liabilities	23	71,032	-	-
Hire purchase payables	24	40,929	100,249	-
Borrowings	25	1,067,789	1,296,769	-
		1,179,750	1,397,018	-
CURRENT LIABILITIES				
Trade payables	26	38,597,290	28,744,137	-
Other payables and accruals	27	14,805,016	14,979,695	878,078
Contract liabilities	14	7,473,185	13,962,907	-
Amount owing to related parties	16	5,086,967	3,240	-
Lease liabilities	23	114,861	53,230	-
Hire purchase payables	24	59,320	56,830	-
Borrowings	25	26,100,085	18,916,516	-
Current tax liabilities		2,908,464	2,096,250	-
		95,145,188	78,812,805	878,078
TOTAL LIABILITIES		96,324,938	80,209,823	878,078
TOTAL EQUITY AND LIABILITIES		215,230,112	128,108,277	106,590,682

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

Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2025

		The Group		The Company 22.11.2024 (date of incorporation) to 31.12.2025 RM
	NOTE	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	
REVENUE	28	201,655,082	183,215,535	7,800,000
COST OF SALES		(143,080,813)	(137,740,072)	-
GROSS PROFIT		58,574,269	45,475,463	7,800,000
OTHER INCOME		1,252,269	590,227	43,993
		59,826,538	46,065,690	7,843,993
SELLING AND DISTRIBUTION EXPENSES		(5,440,467)	(5,172,043)	-
ADMINISTRATIVE EXPENSES		(21,558,992)	(12,692,748)	(4,326,448)
OTHER EXPENSES		(397,141)	(345,355)	(3,158)
FINANCE COSTS		(765,136)	(494,174)	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS	29	(668,192)	(318,724)	-
PROFIT BEFORE TAXATION	30	30,996,610	27,042,646	3,514,387
INCOME TAX EXPENSE	31	(9,072,511)	(6,646,834)	-
PROFIT AFTER TAXATION		21,924,099	20,395,812	3,514,387

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

Statement of Profit or Loss and Other Comprehensive Income For the Financial Year Ended 31 December 2025 (Cont'd)

	NOTE	The Group		The Company 22.11.2024 (date of incorporation) to 31.12.2025 RM
		1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	
OTHER COMPREHENSIVE EXPENSES				
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>				
Foreign currency translation differences		(276,539)	(3,860)	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD		21,647,560	20,391,952	3,514,387
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company		21,986,114	20,398,707	3,514,387
Non-controlling interests		(62,015)	(2,895)	-
		21,924,099	20,395,812	3,514,387
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company		21,723,402	20,395,040	3,514,387
Non-controlling interests		(75,842)	(3,088)	-
		21,647,560	20,391,952	3,514,387
EARNINGS PER SHARE (SEN)				
- Basic	32	18.87	1,020	
- Diluted	32	18.87	1,020	

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

Statement of Changes in Equity

For the Financial Year Ended 31 December 2025

The Group	Note	Share Capital RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- controlling Interests RM	Total Equity RM
Balance at 1.1.2024		2,000,000	-	37,866,992	39,866,992	-	39,866,992
Profit after taxation for the financial year		-	-	20,398,707	20,398,707	(2,895)	20,395,812
Other comprehensive expenses for the financial year:							
- Foreign currency translations difference		-	(3,667)	-	(3,667)	(193)	(3,860)
Total comprehensive income for the financial year		-	(3,667)	20,398,707	20,395,040	(3,088)	20,391,952
Issuance of shares by the Company	20	10	-	-	10	-	10
Dividends	34	-	-	(12,500,000)	(12,500,000)	-	(12,500,000)
Total contributions by and distributions to owners		10	-	(12,500,000)	(12,499,990)	-	(12,499,990)
Acquisition of a subsidiary		-	-	-	-	139,500	139,500
Balance at 31.12.2024		2,000,010	(3,667)	45,765,699	47,762,042	136,412	47,898,454

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

Statement of Changes in Equity

For the Financial Year Ended 31 December 2025 (Cont'd)

The Group	Note	Share Capital RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to the Owners of the Company RM	Non- controlling Interests RM	Total Equity RM
Balance at 31.12.2024/1.1.2025		2,000,010	-	(3,667)	45,765,699	47,762,042	136,412	47,898,454
Profit after taxation for the financial year		-	-	-	21,986,114	21,986,114	(62,015)	21,924,099
Other comprehensive expenses for the financial year:								
- Foreign currency translations difference		-	-	(262,712)	-	(262,712)	(13,827)	(276,539)
Total comprehensive income for the financial year		-	-	(262,712)	21,986,114	21,723,402	(75,842)	21,647,560
Balance carried forward		2,000,010	-	(266,379)	67,751,813	69,485,444	60,570	69,546,014

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

Statement of Changes in Equity For the Financial Year Ended 31 December 2025 (Cont'd)

The Group	Note	Share Capital RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- controlling Interests RM	Total Equity RM
Balance brought forward		2,000,010	-	(266,379)	67,751,813	69,485,444	60,570	69,546,014
Issuance of shares pursuant to acquisition of subsidiaries	20	48,870,357	-	-	-	48,870,357	-	48,870,357
Adjustment on acquisition of subsidiaries		(2,000,000)	(45,839,047)	-	-	(47,839,047)	-	(47,839,047)
Issuance of shares by the Company	20	55,648,200	-	-	-	55,648,200	-	55,648,200
Share issuance expenses	20	(2,320,350)	-	-	-	(2,320,350)	-	(2,320,350)
Dividends	34	-	-	-	(5,000,000)	(5,000,000)	-	(5,000,000)
Total contributions by and distributions to owners		100,198,207	(45,839,047)	-	(5,000,000)	49,359,160	-	49,359,160
Balance at 31.12.2025		102,198,217	(45,839,047)	(266,379)	62,751,813	118,844,604	60,570	118,905,174

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

Statement of Changes in Equity

For the Financial Year Ended 31 December 2025 (Cont'd)

	Note	Share Capital RM	Retained Profits RM	Total Equity RM
The Company				
Balance at 22.11.2024 (date of incorporation)		10	-	10
Profit after taxation/Total comprehensive income for the financial period		-	3,514,387	3,514,387
Issuance of shares	20	55,648,200	-	55,648,200
Adjustment on acquisition of subsidiaries	20	48,870,357	-	48,870,357
Share issuance expenses	20	(2,320,350)	-	(2,320,350)
Total contributions by and distributions to owners		102,198,207	-	102,198,207
Balance at 31.12.2025		102,198,217	3,514,387	105,712,604

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

Statement of Cash Flows

For the Financial Year Ended 31 December 2025

		The Group		The Company 22.11.2024 (date of incorporation) to
		1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	31.12.2025 RM
	Note			
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit before taxation		30,996,610	27,042,646	3,514,387
Adjustments for:-				
Amortisation of intangible assets	9	90,389	-	-
Depreciation of property, plant and equipment	7	1,050,399	305,551	3,158
Depreciation of right-of-use assets	8	146,534	81,913	-
Dividend income		-	-	(7,800,000)
Property, plant and equipment written off	7	1,529	13,650	-
Provision of warranties		5,513,572	7,079,176	-
Impairment losses on trade receivables	12	843,192	384,713	-
Bargain purchase from acquisition of a subsidiary		(22,454)	-	-
Inventories written down	11	153,706	68,763	-
Inventories written off	11	159,470	-	-
Interest expense on lease liabilities	35(b)	7,963	7,553	-
Interest expense on borrowings	35(b)	716,862	431,081	-
Interest income on financial assets measured at amortisation costs		(1,030,179)	(500,680)	(44,693)
Reversal of impairment losses:				
- trade receivables	12	(145,000)	(65,989)	-
- contract assets	14	(30,000)	-	-
Reversal of provision for warranties		(3,796,941)	(1,291,740)	-
Operating profit/(loss) before working capital changes		34,655,652	33,556,637	(4,327,148)
Decrease/(Increase) in trade and other receivables		18,504,286	18,354,565	(239,250)
Increase in contract assets		(46,793,686)	(723,596)	-
Increase in amount owing by a related party		(9,760)	-	-
(Increase)/Decrease in inventories		(7,061,284)	741,748	-
Increase/(Decrease) in trade and other payables		10,179,055	(10,950,730)	3,195,732
Decrease in contract liabilities		(6,489,722)	(2,392,360)	-
Increase/(Decrease) in amount owing to related parties		5,040,711	(997,669)	-
CASH FROM/(FOR) OPERATIONS/ CARRIED FORWARD		8,025,252	37,588,595	(1,370,666)

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

Statement of Cash Flows

For the Financial Year Ended 31 December 2025 (Cont'd)

	Note	The Group		The Company
		1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	22.11.2024 (date of incorporation) to 31.12.2025 RM
CASH FROM/(FOR) OPERATIONS/ BROUGHT FORWARD		8,025,252	37,588,595	(1,370,666)
Income tax paid		(7,648,903)	(6,917,705)	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		376,349	30,670,890	(1,370,666)
CASH FLOWS FOR INVESTING ACTIVITIES				
Purchase of property, plant and equipment	35(a)	(9,462,123)	(501,153)	(17,691)
Additions of intangible assets		(2,922,432)	-	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired	33	304,944	-	-
Repayment from directors		139,500	-	-
Repayment from related parties		10,400	-	-
Advances to subsidiaries		-	-	(12,854,107)
Withdrawal/(Placement) of fixed deposit with licensed banks with tenure of more than 3 months		8,479,734	(10,000,000)	-
Withdrawal of fixed deposit pledged to licensed banks		1,052,185	1,198,136	-
Interest received		1,030,179	500,680	44,693
NET CASH FOR INVESTING ACTIVITIES		(1,367,613)	(8,802,337)	(12,827,105)

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

Statement of Cash Flows

For the Financial Year Ended 31 December 2025 (Cont'd)

		The Group		The Company
		1.1.2025	1.1.2024	22.11.2024
		to	to	(date of
		31.12.2025	31.12.2024	incorporation)
		RM	RM	to
				31.12.2025
				RM
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES				
Interest paid	35(b)	(724,825)	(438,634)	-
Proceed from issuance of ordinary shares		55,648,200	10	55,648,200
Proceed from incorporation of the Company		-	-	10
Payment of share issuance expenses		(4,638,004)	-	(4,638,004)
Proceeds of bankers' acceptances	35(b)	9,814,000	7,387,000	-
Proceeds of invoice financing	35(b)	10,005,775	-	-
Proceeds of trade financing	35(b)	35,197,102	49,763,638	-
Proceeds of revolving credit	35(b)	20,000,000	-	-
Repayments of term loans	35(b)	(825,619)	(811,096)	-
Repayments of hire purchase payables	35(b)	(56,830)	(69,869)	-
Repayments of lease liabilities	35(b)	(98,637)	(80,447)	-
Repayments of bankers' acceptances	35(b)	(9,814,000)	(9,501,658)	-
Repayments of invoice financing	35(b)	(9,642,380)	-	-
Repayments of trade financing	35(b)	(32,780,289)	(50,525,358)	-
Repayments of promissory note	35(b)	-	(1,410,498)	-
Repayments of revolving credit	35(b)	(15,000,000)	-	-
Dividend paid		(5,000,000)	(18,500,000)	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		52,084,493	(24,186,912)	51,010,206
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		51,093,229	(2,318,359)	36,812,435
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(280,255)	-	-
CASH AND EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/DATE OF INCORPORATION		28,135,494	30,453,853	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD		78,948,468	28,135,494	36,812,435

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office	: Office Suite No. 603 Block C Pusat Dagangan Phileo Damansara 1 No. 9, Jalan 16/11, Off Jalan Damansara 46350, Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	: G-03A-3, Plaza Kelana Jaya Jalan SS7/13A 47301, Petaling Jaya, Selangor Darul Ehsan.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Company and of the Group are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 9 April 2026.

2. CONVERSION TO BERHAD STATUS

The Company was incorporated in Malaysia as a private limited company. On 14 April 2025, the Company was converted to a public limited liability company. Consequently, the Company assumed the name of LAC Med Berhad.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year/period.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

4. BASIS OF PREPARATION

These are the Company's first set of financial statements since its date of incorporation.

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 4.1 During the current financial period, the Company has adopted all the MFRSs that were effective on or before the date of incorporation. The Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

4. BASIS OF PREPARATION (CONT'D)

- 4.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year/period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and their accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently evaluating the impact of implementing this new standard.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year/period other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for property, plant, and equipment and right-of-use assets are based on commercial factors that could change significantly due to technical innovations and competitors' actions in response to market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in expected usage levels and technological development could affect the economic useful lives and residual values of these assets; therefore, future depreciation charges may be revised. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 7 and 8 to the financial statements respectively.

(b) Amortisation of Intangible Assets

The estimates for the residual values, useful lives, and related amortisation charges for the intangible assets are based on commercial factors that could change significantly due to technical innovations and competitors' actions in response to market conditions. The Group anticipates that the residual values of its intangible assets will be insignificant. As a result, residual values are not taken into account in the computation of the amortisation amount. Changes in expected usage levels and technological development could affect the economic useful lives and residual values of these assets; therefore, future amortisation charges may be revised. The carrying amount of intangible assets measured as at the reporting date is disclosed in Note 9 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets

The Group and the Company determine whether an item of its property, plant and equipment, intangible assets and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as the market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets as at the reporting date are disclosed in Notes 7, 8 and 9 to the financial statements respectively.

(d) Write-down of Inventories

Management periodically reviews damaged, obsolete, and slow-moving inventory. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(e) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. If the expectation is different from the estimation, such a difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 12 and 14 to the financial statements respectively.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(f) Impairment of Non-Trade Receivables and Amount Owing by Subsidiaries

The loss allowances for non-trade financial assets are based on assumptions about the risk of default (probability of default) and the expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 13 and 16 to the financial statements respectively.

(g) Revenue recognition for services provided on contracts

The Group recognises certain revenue related to services provided on contracts by reference to the progress using the input method, determined based on the proportion of costs incurred for work performed to date over the estimated total costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

(h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognise tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax liabilities of the Group as at the reporting date are RM2,908,464 (2024 - RM2,096,250).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(i) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 10 to the financial statements.

(j) Discount Rates used in Leases

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

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

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

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.2 FUNCTIONAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to initial recognition, the financial assets are remeasured to their fair value at the reporting date with any fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets At Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for by applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital and capital reserves of the merger entities is reflected within equity as merger reserve, as appropriate.

5.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost including the estimated costs of dismantling and removing the items and restoring that site on which they are located.

Subsequent to the initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Computer	20% to 25%
Furniture and fittings and equipment	10% to 20%
Medical equipment	10% to 20%
Motor vehicle	20%
Office equipment	20%
Renovation	10%

5.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.7 INTANGIBLE ASSETS

Intangible assets are initially measured at cost. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible Assets with Definite Useful Lives

The intangible assets are amortised using the straight-line method to allocate their depreciable amounts over the following periods:-

Intangible assets	5 years
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5.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

6. INVESTMENTS IN SUBSIDIARIES

**The Company
2025
RM**

Unquoted shares, at cost	51,577,857
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The details of the subsidiary are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2025	Principal Activities
<i>Subsidiaries of the Company</i>			
LAC Medical Supplies Sdn Bhd	Malaysia	100%	Supply and integration of medical devices, and related products and services.
CVS Medical Sdn Bhd	Malaysia	100%	Supply and integration of medical devices, and related products and services.
Gocloud Solutions Sdn Bhd	Malaysia	100%	Provision of ICT product and services for healthcare facilities.
PT Fairmed Imaging Nusajaya *	Indonesia	95%	Supply and integration of medical devices, and related products and services.

* The subsidiary was audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.

- (a) During the current financial period, the Company has acquired 100% equity interest in Gocloud Solutions Sdn Bhd. The details of the acquisition are disclosed in Note 33 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2025 %	2024 %	2025 RM	2024 RM
PT Fairmed Imaging Nusajaya	5	5	60,570	136,412

(c) The summarised financial information (before intra-group elimination) for PT Fairmed Imaging Nusajaya that has non-controlling interests that are material to the Group is as follows:-

	PT Fairmed Imaging Nusajaya	
	2025 RM	2024 RM
<u>At 31 December</u>		
Non-current assets	110,839	-
Current assets	2,573,412	2,919,254
Current liabilities	(1,472,848)	(187,159)
	<u>1,211,403</u>	<u>2,732,095</u>
<u>Financial Year Ended 31 December</u>		
Revenue	1,737,802	-
Loss for the financial year	(1,240,293)	(57,905)
Total comprehensive expenses	<u>(1,516,832)</u>	<u>(61,765)</u>
 Total comprehensive income attributable to non-controlling interests	 <u>(75,842)</u>	 <u>(3,088)</u>
 Net cash flows for operating activities	 (487,088)	 -
Net cash flows from investing activities	(91,665)	-
Net cash flows from financial activities	782,286	-

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2025 RM	Additions RM	Written Off RM	Transfer to Inventory RM	Acquisition of A Subsidiary (Note 33) RM	Foreign Exchange Differences RM	Depreciation Charges (Note 30) RM	At 31.12.2025 RM
2025								
<i>Carrying Amount</i>								
Computer	433,919	215,733	(1,529)	-	1,040	-	(157,485)	491,678
Furniture, fittings and equipment	60,562	3,030	-	-	-	-	(16,146)	47,446
Medical equipment	372,378	9,099,883	-	(230,432)	-	-	(741,102)	8,500,727
Motor vehicle	177,500	-	-	-	-	-	(71,000)	106,500
Office equipment	77,210	42,342	-	-	-	215	(21,905)	97,862
Renovation	294,017	101,135	-	-	-	381	(42,761)	352,772
	1,415,586	9,462,123	(1,529)	(230,432)	1,040	596	(1,050,399)	9,596,985

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

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

The Group	At 1.1.2024 RM	Additions RM	Written Off RM	Depreciation Charges (Note 30) RM	At 31.12.2024 RM
<i>Carrying Amount</i>					
Computer	219,769	314,775	-	(100,625)	433,919
Furniture, fittings and equipment	58,310	21,493	-	(19,241)	60,562
Medical equipment	428,621	-	-	(56,243)	372,378
Motor vehicle	261,160	-	-	(83,660)	177,500
Office equipment	45,627	48,182	-	(16,599)	77,210
Renovation	220,147	116,703	(13,650)	(29,183)	294,017
	1,233,634	501,153	(13,650)	(305,551)	1,415,586

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

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

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2025			
<i>Carrying Amount</i>			
Computer	929,028	(437,350)	491,678
Furniture, fittings and equipment	90,596	(43,150)	47,446
Medical equipment	9,369,960	(869,233)	8,500,727
Motor vehicle	601,520	(495,020)	106,500
Office equipment	157,009	(59,147)	97,862
Renovation	440,402	(87,630)	352,772
	11,588,515	(1,991,530)	9,596,985
2024			
<i>Carrying Amount</i>			
Computer	722,380	(288,461)	433,919
Furniture, fittings and equipment	87,566	(27,004)	60,562
Medical equipment	527,937	(155,559)	372,378
Motor vehicle	601,520	(424,020)	177,500
Office equipment	114,667	(37,457)	77,210
Renovation	339,267	(45,250)	294,017
	2,393,337	(977,751)	1,415,586

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

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

	At 22.11.2024 (date of incorporation) RM	Addition RM	Depreciation Charge (Note 30) RM	At 31.12.2025 RM
The Company				
2025				
<i>Carrying amount</i>				
Computer	-	17,691	(3,158)	14,533
		At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2025				
Computer		17,691	(3,158)	14,533

Included in the property, plant and equipment of the Group was a motor vehicle held under hire purchase arrangements with a total carrying amount of RM106,500 (2024 - 177,500). This asset has been pledged as security for the hire purchase payables of the Group as disclosed in Note 24 to the financial statements.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

8. RIGHT-OF-USE ASSETS

The Group	At 1.1.2025 RM	Addition RM	Depreciation Charge (Note 30) RM	Foreign Exchange Differences RM	At 31.12.2025 RM
2025					
<i>Carrying Amount</i>					
Offices	47,782	312,633	(146,534)	3,120	217,001

The Group	At 1.1.2024 RM	Addition RM	Depreciation Charge (Note 30) RM	At 31.12.2024 RM
2024				
Carrying Amount				
Offices	129,695	-	(81,913)	47,782

The Group leases offices that run for 1 to 2 (2024 - 1 to 2) years, with an option to renew the lease after that date.

9. INTANGIBLE ASSETS

	The Group	
	2025 RM	2024 RM
Costs:-		
At 1 January	-	-
Additions during the financial year	2,922,432	-
At 31 December	2,922,432	-
Accumulated amortisation:-		
At 1 January	-	-
Additions during the financial year (Note 30)	(90,389)	-
At 31 December	(90,389)	-
Carrying amount	2,832,043	-

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

10. DEFERRED TAX ASSETS

	At 1.1.2025 RM	Recognised in Profit or Loss RM	At 31.12.2025 RM
The Group			
2025			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	(45,031)	(513,852)	(558,883)
<i>Deferred Tax Assets</i>			
Provisions	2,703,867	(101,920)	2,601,947
	<u>2,658,836</u>	<u>(615,772)</u>	<u>2,043,064</u>
	At 1.1.2024 RM	Recognised in Profit or Loss RM	At 31.12.2024 RM
The Group			
2024			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	(18,470)	(26,561)	(45,031)
<i>Deferred Tax Assets</i>			
Provisions	2,146,110	557,757	2,703,867
	<u>2,127,640</u>	<u>531,196</u>	<u>2,658,836</u>

11. INVENTORIES

	The Group	
	2025 RM	2024 RM
Equipment and accessories	<u>27,776,196</u>	<u>20,797,656</u>
Recognised in profit or loss:-		
Inventories recognised as cost of sales	136,876,287	119,772,892
Amount written down to net realisable value	153,706	68,763
Inventories written off	<u>159,470</u>	<u>-</u>

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

12. TRADE RECEIVABLES

	The Group	
	2025	2024
	RM	RM
Trade receivables	32,483,866	37,207,386
Allowance for impairment losses	(2,200,015)	(1,501,823)
	<u>30,283,851</u>	<u>35,705,563</u>
Allowance for impairment losses:-		
At 1 January	(1,501,823)	(1,183,099)
Addition during the financial year	(843,192)	(384,713)
Reversal during the financial year	145,000	65,989
At 31 December	<u>(2,200,015)</u>	<u>(1,501,823)</u>

The Group's normal trade credit terms range from 30 to 60 (2024 - 30 to 60) days.

Included in the Group's trade receivables are retention sums which are expected to be recovered as below:-

	The Group	
	2025	2024
	RM	RM
Within 1 year	148,205	172,500
More than 1 year	345,000	172,500
	<u>493,205</u>	<u>345,000</u>

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company
	2025 RM	2024 RM	2025 RM
Other receivables	1,120,077	282,324	-
Deposits	2,567,037	5,448,795	500
Deposits to suppliers	1,036,961	12,213,668	-
Prepayments	666,943	423,114	238,750
Dividend receivables	-	-	7,800,000
	<u>5,391,018</u>	<u>18,367,901</u>	<u>8,039,250</u>

The deposits to suppliers are unsecured and interest-free. The deposits to suppliers will be offset against future purchases from the suppliers.

14. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2025 RM	2024 RM
Contract Assets		
Contract assets relating to services provided on contracts	49,963,219	3,169,533
Allowance for impairment losses	(104,921)	(134,921)
	<u>49,858,298</u>	<u>3,034,612</u>
Allowance for impairment losses:-		
At 1 January	(134,921)	(134,921)
reversal during the financial year	30,000	-
At 31 December	<u>(104,921)</u>	<u>(134,921)</u>
Contract Liabilities		
Contract liabilities relating to services provided on contracts	<u>(7,473,185)</u>	<u>(13,962,907)</u>

- (a) The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (b) The contract liabilities primarily relate to progress billings made and deposits received from customers for services provided on contracts for which performance obligations have not been satisfied. The amount will be recognised as revenue when the performance obligations are satisfied.
- (c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2025 RM	2024 RM
At 1 January	(10,928,295)	(14,044,251)
Performance obligations performed	129,442,343	86,177,645
Transfer to trade receivables/amounts billed for unfulfilled performance obligations	(76,158,935)	(83,061,689)
Allowance for impairment losses	30,000	-
At 31 December	<u>42,385,113</u>	<u>(10,928,295)</u>
Represented by:-		
Contract assets	49,858,298	3,034,612
Contract liabilities	<u>(7,473,185)</u>	<u>(13,962,907)</u>
	<u>42,385,113</u>	<u>(10,928,295)</u>

- (d) The transaction price allocated to unsatisfied and/or partially unsatisfied performance obligations as at the reporting date are as below:-

	The Group	
	2025 RM	2024 RM
Within 1 year	40,044,990	33,526,595
Between 1 and 3 years	<u>1,384,272</u>	<u>683,000</u>
	<u>41,429,262</u>	<u>34,209,595</u>

The amounts disclosed above do not have variable consideration.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

15. AMOUNT OWING BY A DIRECTOR

In the previous financial year, the non-trade balance represents an amount owing by a director of a subsidiary; PT Fairmed Imaging Nusajaya for the subscription of a five percent equity interest in PT Fairmed Imaging Nusajaya. The amount was settled in cash.

16. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group	
	2025 RM	2024 RM
Amount owing by a related party		
<u>Current</u>		
Trade balances	9,760	-
Amount owing to related parties		
<u>Current</u>		
Trade balances	(5,076,567)	(3,240)
Non-trade balances	(10,400)	-
	(5,086,967)	(3,240)

(a) The normal trade credit terms granted to the Group is 30 (2024 - 30) days.

(b) The non-trade balances represent unsecured interest-free advances which are repayable on demand. The amount owing is to be settled in cash.

17. AMOUNT OWING BY SUBSIDIARIES

The non-trade balances (current) represent unsecured payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

18. SHORT-TERM INVESTMENTS

	The Group		The Company
	2025	2024	2025
	RM	RM	RM
Money market funds, at fair value	34,341,939	-	34,341,939

The money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable with one (1) day notice at known amounts of cash and are subject to an insignificant risk of changes in value.

19. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.25% to 3.30% (2024 - 2.35% to 4.10%) per annum. The maturity period of the fixed deposits ranging from 30 to 365 (2024 - 15 to 365) days for the Group.
- (b) The fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM6,753,162 (2024 - RM7,805,347) which has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

20. SHARE CAPITAL

	The Group		
	2025	2024	
	Number of Shares		2025
			RM
			2024
			RM
Issued and Fully Paid-Up			
Ordinary share			
At 1 January	2,000,020	2,000,000	2,000,010
Issuance of shares by the Company	74,197,600	20	55,648,200
Issuance of shares pursuant to acquisition of subsidiaries	325,802,380	-	48,870,357
Adjustment on acquisition of subsidiaries	(2,000,000)	-	(2,000,000)
Share issuance expenses	-	-	(2,320,350)
At 31 December	400,000,000	2,000,020	102,198,217

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

20. SHARE CAPITAL (CONT'D)

	The Company	
	2025	2025
	Number of	RM
	Shares	
Issued and Fully Paid-Up		
Ordinary share		
At 22 November 2024 (date of incorporation)	20	10
Issuance of shares by the Company	74,197,600	55,648,200
Adjustment on acquisition of subsidiaries	325,802,380	48,870,357
Share issuance expenses	-	(2,320,350)
At 31 December	<u>400,000,000</u>	<u>102,198,217</u>

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) The Company was incorporated with a total paid-up share capital of RM10 comprising 20 ordinary shares.
- (c) During the financial year/period, the Company increased its issued and paid-up share capital from RM10 to RM104,518,567 by way of:-
- issuance of 325,802,380 new ordinary shares at RM0.15 each pursuant to acquisition of subsidiaries; and
 - issuance of 74,197,600 new ordinary shares for a cash consideration of RM0.75 each in conjunction with the initial public offering ("IPO") of Main Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

21. MERGER DEFICIT

The merger deficit represents the difference between the carrying value of the investment in subsidiaries and the share capital of the Company's subsidiaries upon consolidation upon the merger accounting principle.

22. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

23. LEASE LIABILITIES

	The Group	
	2025 RM	2024 RM
At 1 January	53,230	133,677
Additions	231,300	-
Interest expense recognised in profit or loss	7,963	7,553
Repayment of principal	(98,637)	(80,447)
Repayment of interest expense	(7,963)	(7,553)
At 31 December	185,893	53,230
Analysed by:-		
Current liabilities	114,861	53,230
Non-current liabilities	71,032	-
	185,893	53,230

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

24. HIRE PURCHASE PAYABLES

	The Group	
	2025 RM	2024 RM
At 1 January	157,079	226,948
Interest expense recognised in profit or loss	5,498	8,614
Repayment of principal	(56,830)	(69,869)
Repayment of interest expense	(5,498)	(8,614)
At 31 December	<u>100,249</u>	<u>157,079</u>
Analysed by:-		
Current liabilities	59,320	56,830
Non-current liabilities	40,929	100,249
	<u>100,249</u>	<u>157,079</u>

The hire purchase payables are secured by the motor vehicle as disclosed in Note 7 to the financial statements.

The effective interest rate of the hire purchase payables of the Group as at the end of the reporting year is 4.30% (2024 - 4.30%).

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

25. BORROWINGS

	The Group	
	2025 RM	2024 RM
Non-current		
<u>Secured</u>		
Term loans	1,067,789	1,296,769
Current		
<u>Secured</u>		
Term loans	174,396	771,035
Invoice financing	363,395	-
Trade financing	20,562,294	18,145,481
Revolving credit	5,000,000	-
	26,100,085	18,916,516
	27,167,874	20,213,285

(a) The borrowings of the Group are secured by the following:-

- (i) Fixed deposits with licensed banks of the Group as disclosed in Note 19 to the financial statements;
- (ii) Joint and several guarantee by certain directors of the Company;
- (iii) Guarantee by Credit Guarantee Corporation Malaysia Berhad; and
- (iv) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP").

(b) The major covenants of the borrowings are as follows:-

- (i) Gearing ratio shall not exceed 3.5 times;
- (ii) Dividend payment made shall not exceed 50% of its respective year's profit after taxation;
- (iii) Channeling percentage shall more than 40% of total revenue; and
- (iv) The Group shall maintain positive net worth.

The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

(c) The interest rate risk of the Group as disclosed in Note 39.1(c) to the financial statements;

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

26. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2024 - 30 to 90) days.

27. OTHER PAYABLES AND ACCRUALS

	The Group		The Company
	2025	2024	2025
	RM	RM	RM
Other payables	1,999,322	1,797,975	410,092
Accruals	5,344,697	3,621,115	467,986
Provision for warranties (a)	7,460,997	9,560,605	-
	<u>14,805,016</u>	<u>14,979,695</u>	<u>878,078</u>

(a) Provision for warranties

	The Group	
	2025	2024
	RM	RM
At 1 January	9,560,605	7,624,105
Provision made during the financial year	5,513,572	7,079,176
Provision used during the financial year	(3,816,239)	(3,850,936)
Provision reversed during the financial year	(3,796,941)	(1,291,740)
At 31 December	<u>7,460,997</u>	<u>9,560,605</u>

The provision for warranties relates to equipment and accessories sold in the past 3 (2024 - 3) years. The provision is based on estimates made from historical warranty data of the products sold.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

28. REVENUE

	The Group		The Company 22.11.2024 (date of incorporation) to 31.12.2025 RM
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	
Revenue from Contracts with Customers			
<u>Recognised over time</u>			
Supply and integration of medical equipment	128,569,063	86,493,258	-
Supply of related products and services	7,805,152	2,340,613	-
	<u>136,374,215</u>	<u>88,833,871</u>	<u>-</u>
<u>Recognised at a point in time</u>			
Supply of medical equipment	48,563,944	81,535,029	-
Supply of related products and services	16,716,923	12,846,635	-
	<u>65,280,867</u>	<u>94,381,664</u>	<u>-</u>
	<u>201,655,082</u>	<u>183,215,535</u>	<u>-</u>
Revenue from Other Sources			
Dividend income from subsidiaries	-	-	7,800,000
	<u>201,655,082</u>	<u>183,215,535</u>	<u>7,800,000</u>

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 38.2 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

28. REVENUE (CONT'D)

- (b) The information about the performance obligations in contracts with customers is summarised below:-

<u>Nature of Goods or Services</u>	<u>Timing and Method of Revenue Recognition</u>	<u>Significant Payment Terms</u>	<u>Variable Considerations</u>	<u>Warranty and Obligation for Returns or Refunds</u>
Supply and integration of medical equipment	When services are rendered using the cost incurred method	Credit period of 30 to 60 days from the invoice date.	A late penalty charge at 0.03% to 0.25%, calculated daily.	Assurance warranties of 1 to 5 years are given to customers.
Supply of related products and services	On a straight-line method over the period of service	Credit period of 30 to 60 days from the invoice date.	Not applicable.	Not applicable.
Supply of related products and services	When the goods and services are accepted by customers	Credit period of 30 to 60 days from the invoice date.	Not applicable.	Not applicable.
Supply of medical equipment	When the goods are delivered and accepted by customers	Credit period of 30 to 60 days from the invoice date.	Not applicable.	Assurance warranties of 1 to 5 years are given to customers.

- (c) The information on the revenue from other sources is summarised below:-

Dividend Income

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

Interest Income

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

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

29. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM
Impairment losses:		
- trade receivables	843,192	384,713
Reversal of impairment losses:		
- trade receivables	(145,000)	(65,989)
- contract assets	(30,000)	-
	(175,000)	(65,989)
	668,192	318,724

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

30. PROFIT BEFORE TAXATION

	The Group		The Company 22.11.2024 (date of incorporation)
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	to 31.12.2025 RM
Profit before taxation is arrived at after charging/(crediting):-			
Auditors' remuneration:			
- Audit fees:			
- current year	150,000	83,000	41,500
- other auditor	16,903	-	-
- Non-audit fees:			
- auditor of the Company	433,200	134,500	433,200
Directors' remuneration			
- fees	212,500	-	212,500
- salaries, bonuses, allowances and other benefits	603,455	647,134	310,696
- defined contribution benefits	66,566	72,101	32,400
Material Expenses/(Income)			
Depreciation:			
- property, plant and equipment	1,050,399	305,551	3,158
- right-of-use assets	146,534	81,913	-
Amortisation of intangible assets	90,389	-	-
Interest expense on lease liabilities	7,963	7,553	-
Interest expense on financial liabilities that are not at fair value through profit or loss:			
- bankers' acceptances	89,403	17,033	-
- invoice financing	176,933	-	-
- trade financing	220,624	270,626	-
- revolving credit	135,523	-	-
- promissory note	-	4,432	-
- hire purchase payables	5,498	8,614	-
- term loans	88,881	130,376	-
Impairment losses on trade receivables	843,192	384,713	-

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

30. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company 22.11.2024 (date of incorporation)
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	to 31.12.2025 RM
Profit before taxation is arrived at after charging/(crediting) (Cont'd):-			
Material Expenses/(Income) (Cont'd)			
Inventories written down	153,706	68,763	-
Inventories written off	159,470	-	-
Listing expenses	2,317,654	-	2,317,654
Property, plant and equipment written off	1,529	13,650	-
Provision of warranties	5,513,572	7,079,176	-
Staff costs:			
- short-term employee benefits	14,121,970	10,969,164	723,912
- defined contribution benefits	1,586,704	1,229,481	73,611
- others	1,052,608	872,386	49,782
Reversal of impairment losses:			
- trade receivables	(145,000)	(65,989)	-
- contract assets	(30,000)	-	-
Reversal of provision for warranties	(3,796,941)	(1,291,740)	-
Realised gain on foreign exchange	(170,116)	(82,841)	700
Bargain purchase from acquisition of a subsidiary	(22,454)	-	-
Interest income on financial assets measured at amortised cost	(1,030,179)	(500,680)	(44,693)
Dividend income from subsidiaries	-	-	(7,800,000)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

31. INCOME TAX EXPENSE

Income Tax Expenses Recognised in Profit or Loss

	The Group		The Company 22.11.2024 (date of incorporation)
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	to 31.12.2025 RM
Current tax expense	8,668,054	7,165,000	-
(Over)/Underprovision in the previous financial year/period	(211,315)	13,030	-
	<u>8,456,739</u>	<u>7,178,030</u>	<u>-</u>
Deferred tax:			
- origination and reversal of temporary differences	523,510	(531,196)	-
- underprovision in the previous financial year/period	92,262	-	-
	<u>615,772</u>	<u>(531,196)</u>	<u>-</u>
	<u>9,072,511</u>	<u>6,646,834</u>	<u>-</u>

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

31. INCOME TAX EXPENSE (CONT'D)

Income Tax Expenses Recognised in Profit or Loss (Cont'd)

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

	The Group		The Company 22.11.2024 (date of incorporation) to 31.12.2025 RM
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	
Profit before taxation	30,996,610	27,042,646	3,514,387
Tax at the statutory tax rate of 24% (31.12.2024 - 24%)	7,439,186	6,490,235	843,453
Tax effects in respect of:-			
Non-deductible expenses	1,373,040	674,765	627,500
Non-taxable income	(21,709)	-	(1,872,000)
Deferred tax assets not recognised during the financial year/period	401,047	-	401,047
Deferred tax assets recognised in respect of deductible temporary differences	-	(531,196)	-
(Over)/Underprovision of current tax in the previous financial year/period	(211,315)	13,030	-
Underprovision of deferred tax in the previous financial year/period	92,262	-	-
	9,072,511	6,646,834	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (31.12.2024 - 24%) of the estimated assessable profit for the financial year/period. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM
Unused tax losses	1,671,031	-

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

32. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2025 RM	2024 RM
Profit after taxation attributable to owners of the Company (Basic)	21,986,114	20,398,707
	The Group	
	2025	2024
Weighted average number of ordinary shares in issue (Basic)	116,531,571	2,000,002
Basic earnings per share (sen)	18.87	1,020

(b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares as at the end of the reporting period.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

33. ACQUISITIONS OF A SUBSIDIARY

On 4 September 2025, the Company acquired 100% equity interest of GoCloud Solutions Sdn Bhd. The acquisition of this subsidiary is to enable the Group to expand its business.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(a) Fair Value of Purchase Consideration

	The Group 2025 RM	The Company 2025 RM
6,875,400 ordinary shares issued at RM0.15 per share	1,031,310	1,031,310

(b) Identifiable Assets Acquired and Liabilities Assumed

	The Group 2025 RM	The Company 2025 RM
Property, plant and equipment	1,040	-
Trade receivables	873,250	-
Other receivables, deposits and prepayments	11,966	-
Cash and bank balances	304,944	-
Trade payables	(16,336)	-
Other payables and accruals	(84,106)	-
Amount owing to a related party	(32,616)	-
Current tax liabilities	(4,378)	-
Fair value of net identifiable assets acquired	1,053,764	-

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

33. ACQUISITIONS OF A SUBSIDIARY (CONT'D)

(c) Cash Flows Arising from Acquisition

	The Group 2025 RM	The Company 2025 RM
Purchase consideration settled in cash and cash equivalents	-	-
Cash and bank balances of subsidiary acquired	304,944	-
Net cash inflow from the acquisition of the subsidiary	<u>304,944</u>	<u>-</u>

(d) Bargain Purchase Arising from Acquisition

	The Group 2025 RM
Total consideration transferred	1,031,310
Less: Fair value of identifiable assets acquired	<u>(1,053,764)</u>
Bargain purchase from the acquisition of the subsidiary	<u>(22,454)</u>

(e) Impact of Acquisition on the Group's Results

The acquired subsidiary has contributed the following results to the Group:-

	The Group 2025 RM
Revenue	208,000
Profit after taxation	<u>133,829</u>

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit after taxation from continuing operations would have been RM451,849 and RM156,234 respectively.

There were no acquisitions of new subsidiaries in the previous financial year.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

34. DIVIDENDS

	The Group	
	2025 RM	2024 RM
Ordinary Shares		
An interim dividend of RM4.00 per ordinary share in respect of the current financial year	4,000,000	-
An interim dividend of RM1.00 per ordinary share in respect of the current financial year	1,000,000	-
An interim dividend of RM3.00 per ordinary share in respect of the previous financial year	-	3,000,000
An interim dividend of RM9.50 per ordinary share in respect of the previous financial year	-	9,500,000
	<u>5,000,000</u>	<u>12,500,000</u>

Subsequent to the end of the financial period, the Company has declared a final dividend of 0.65 sen per ordinary share in respect of the financial year ended 31 December 2025 to be paid on 15 June 2026.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

35. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group		The Company 22.11.2024 (date of incorporation)
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	to 31.12.2025 RM
Property, Plant and Equipment			
Cost of property, plant and equipment purchased (Note 7)	9,462,123	501,153	17,691
Right-of-use Assets			
Cost of right-of-use assets acquired (Note 8)	312,633	-	-
Less: Additions of new lease liabilities (Note 23)	(231,300)	-	-
Less: Prepayments made in the previous financial year/period	(81,333)	-	-
	-	-	-

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

35. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Term Loans	Bankers' Acceptances	Trade Financing	Revolving Credit	Invoice Financing	Lease Liabilities	Hire Purchase Payables	Total
2025	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January	2,067,804	-	18,145,481	-	-	53,230	157,079	20,423,594
Changes in Financing Cash Flows								
Proceeds from drawdown	-	9,814,000	35,197,102	20,000,000	10,005,775	-	-	75,016,877
Repayment of principal	(825,619)	(9,814,000)	(32,780,289)	(15,000,000)	(9,642,380)	(98,637)	(56,830)	(68,217,755)
Repayment of interests	(88,881)	(89,403)	(220,624)	(135,523)	(176,933)	(7,963)	(5,498)	(724,825)
	(914,500)	(89,403)	2,196,189	4,864,477	186,462	(106,600)	(62,328)	6,074,297
Other Changes								
Acquisition of new leases	-	-	-	-	-	231,300	-	231,300
Interest expense recognised in profit or loss	88,881	89,403	220,624	135,523	176,933	7,963	5,498	724,825
	88,881	89,403	220,624	135,523	176,933	239,263	5,498	956,125
At 31 December	1,242,185	-	20,562,294	5,000,000	363,395	185,893	100,249	27,454,016

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

35. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Group	Term Loans RM	Bankers' Acceptances RM	Trade Financing RM	Promissory Note RM	Lease Liabilities RM	Hire Purchase Payables RM	Total RM
2024							
At 1 January	2,878,900	2,114,658	18,907,201	1,410,498	133,677	226,948	25,671,882
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown	-	7,387,000	49,763,638	-	-	-	57,150,638
Repayment of principal	(811,096)	(9,501,658)	(50,525,358)	(1,410,498)	(80,447)	(69,869)	(62,398,926)
Repayment of interests	(130,376)	(17,033)	(270,626)	(4,432)	(7,553)	(8,614)	(438,634)
	(941,472)	(2,131,691)	(1,032,346)	(1,414,930)	(88,000)	(78,483)	(5,686,922)
<u>Other Changes</u>							
Interest expense recognised in profit or loss	130,376	17,033	270,626	4,432	7,553	8,614	438,634
	130,376	17,033	270,626	4,432	7,553	8,614	438,634
At 31 December	2,067,804	-	18,145,481	-	53,230	157,079	20,423,594

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

35. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company
	2025 RM	2024 RM	2025 RM
Fixed deposits with licensed banks	22,331,330	30,097,211	-
Cash and bank balances	30,548,627	15,843,630	2,470,496
Money market funds	34,341,939	-	34,341,939
	87,221,896	45,940,841	36,812,435
Less: Fixed deposits pledged to licensed banks (Note 19)	(6,753,162)	(7,805,347)	-
Fixed deposits with tenures exceeding 3 months	(1,520,266)	(10,000,000)	-
	78,948,468	28,135,494	36,812,435

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

36. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

(a) Directors

	The Group		The Company
	2025 RM	2024 RM	2025 RM
<u>Directors of the Company</u>			
Short-term employee benefits:			
- fees	212,500	-	212,500
- salaries, bonuses and other benefits	603,455	647,134	310,696
	815,955	647,134	523,196
Defined contribution benefits	66,566	72,101	32,400
	882,521	719,235	555,596
<u>Directors of the Subsidiaries</u>			
Short-term employee benefits:			
- salaries, bonuses and other benefits	37,096	-	-
Defined contribution benefits	4,080	-	-
	41,176	-	-
Total directors' remuneration	923,697	719,235	555,596

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM31,319 and RM20,263 (2024 - nil) respectively.

(b) Other Key Management Personnel

	The Group		The Company
	2025 RM	2024 RM	2025 RM
Short-term employee benefits	1,698,735	1,164,638	727,144
Defined contribution benefits	176,090	135,985	73,611
Total compensation for other key management personnel	1,874,825	1,300,623	800,755

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

37. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 6 to the financial statements.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year/period:-

	The Group		The Company 22.11.2024 (date of incorporation) to 31.12.2025 RM
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	
Related Parties			
- Sales	284,340	47,000	-
- Purchase	(8,077,184)	(807,268)	-
- Agency fees	(104,984)	-	-
- Rental	(186,000)	(165,750)	-
- Deposit paid	(2,250)	(13,200)	-
- Payment on behalf for	-	44,736	-
- Payment on behalf by	-	(981)	-
Subsidiaries			
- Advances to subsidiaries	-	-	51,564,334
- Advances from subsidiaries	-	-	(2,200,000)
- Payment on behalf for	-	-	380,832
- Payment on behalf by	-	-	(4,353,194)

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the Notes 16 and 17 to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

38. OPERATING SEGMENTS

38.1 BUSINESS SEGMENT

The Group's operates predominantly in one business segment which is principally engaged in the business of supply and integration of medical services, and related products and services.

Accordingly, the information by business segment is not presented.

38.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

The Group	Revenue		Non-current Assets	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	199,917,280	183,215,535	12,535,190	1,463,368
Indonesia	1,737,802	-	110,839	-
	<u>201,655,082</u>	<u>183,215,535</u>	<u>12,646,029</u>	<u>1,463,368</u>

38.3 MAJOR CUSTOMERS

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

	The Group	
	2025 RM	2024 RM
Customer # 1	39,890,204	34,572,505
Customer # 2	<u>29,668,743</u>	<u>22,677,189</u>

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

39.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currency of entities within the Group. The currencies giving rise to this risk are primarily Currency of European Union ("EUR"), United States Dollar ("USD") and Indonesian Rupiah ("IDR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Company do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	EUR RM	USD RM	IDR RM	MYR RM	Total RM
2025					
<u>Financial Assets</u>					
Trade receivables	-	-	470,994	29,812,857	30,283,851
Other receivables	-	-	-	1,120,077	1,120,077
Amount owing by a related party	-	-	9,760	-	9,760
Short-term investments	-	-	-	34,341,939	34,341,939
Fixed deposits with licensed banks	-	-	-	22,331,330	22,331,330
Cash and bank balances	355	772,567	163,631	29,612,074	30,548,627
	355	772,567	644,385	117,218,277	118,635,584

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	EUR RM	USD RM	IDR RM	MYR RM	Total RM
2025					
<u>Financial Liabilities</u>					
Trade payables	2,797	3,435,757	54,257	35,104,479	38,597,290
Other payables and accruals	-	-	127,383	7,216,636	7,344,019
Amount owing to related parties	-	-	177,381	4,909,586	5,086,967
Hire purchase payables	-	-	-	100,249	100,249
Borrowings	-	-	-	27,167,874	27,167,874
	<u>2,797</u>	<u>3,435,757</u>	<u>359,021</u>	<u>74,498,824</u>	<u>78,296,399</u>
Net financial (liabilities)/assets	(2,442)	(2,663,190)	285,364	42,719,453	40,339,185
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	(285,364)	(42,719,453)	(43,004,817)
Currency Exposure	<u>(2,442)</u>	<u>(2,663,190)</u>	<u>-</u>	<u>-</u>	<u>(2,665,632)</u>

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	EUR RM	USD RM	IDR RM	MYR RM	Total RM
2024					
Financial Assets					
Trade receivables	-	-	-	35,705,563	35,705,563
Other receivables	-	-	-	282,324	282,324
Amount owing by directors	-	-	139,500	-	139,500
Fixed deposits with licensed banks	-	-	-	30,097,211	30,097,211
Cash and bank balances	-	88,610	-	15,755,020	15,843,630
	-	88,610	139,500	81,840,118	82,068,228

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	EUR RM	USD RM	IDR RM	MYR RM	Total RM
2024					
<u>Financial Liabilities</u>					
Trade payables	12,036	1,939,044	-	26,793,057	28,744,137
Other payables and accruals	-	-	10,336	5,408,754	5,419,090
Amount owing to related parties	-	-	-	3,240	3,240
Hire purchase payables	-	-	-	157,079	157,079
Borrowings	-	-	-	20,213,285	20,213,285
	12,036	1,939,044	10,336	52,575,415	54,536,831
Net financial (liabilities)/assets	(12,036)	(1,850,434)	129,164	29,264,703	27,531,397
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	(129,164)	(29,264,703)	(29,393,867)
Currency Exposure	(12,036)	(1,850,434)	-	-	(1,862,470)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2025	2024
	RM	RM
Effects on Profit After Taxation		
EUR/RM		
- strengthened by 5%	(93)	(457)
- weakened by 5%	93	457
USD/RM		
- strengthened by 5%	(101,201)	(70,316)
- weakened by 5%	101,201	70,316

There is no impact on the Group's equity.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 25 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate borrowings at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group and the Company does not have any quoted investments and hence, is not exposed to equity price risk.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted debt investments, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 2 (2024 - 3) customers which constituted approximately 59% (2024 - 44%) of its trade receivables and contract assets (including related parties), net of loss allowance.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of the financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2024 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

The Group	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
2025				
Current (not past due)	22,060,439	-	(284,584)	21,775,855
1 to 30 days past due	3,231,447	-	(93,032)	3,138,415
31 to 60 days past due	1,553,092	-	(73,848)	1,479,244
61 to 90 days past due	1,169,962	-	(85,026)	1,084,936
91 to 120 days past due	882,196	-	(84,401)	797,795
More than 120 days	2,991,534	-	(974,168)	2,017,366
Credit impaired	604,956	(604,956)	-	-
Trade Receivables	32,493,626	(604,956)	(1,595,059)	30,293,611
Contract Assets	49,963,219	-	(104,921)	49,858,298
	82,456,845	(604,956)	(1,699,980)	80,151,909

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The Group	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
2024				
Current (not past due)	22,077,957	-	(166,560)	21,911,397
1 to 30 days past due	4,391,796	-	(56,684)	4,335,112
31 to 60 days past due	3,827,595	-	(81,318)	3,746,277
61 to 90 days past due	2,493,580	-	(64,636)	2,428,944
91 to 120 days past due	306,668	-	(13,811)	292,857
More than 120 days	3,502,953	-	(511,977)	2,990,976
Credit impaired	606,837	(606,837)	-	-
Trade Receivables	37,207,386	(606,837)	(894,986)	35,705,563
Contract Assets	3,169,533	-	(134,921)	3,034,612
	40,376,919	(606,837)	(1,029,907)	38,740,175

The movement in the loss allowances in respect of trade receivables and contract assets is disclosed in Notes 12 and 14 to the financial statements.

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements. Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group and the Company applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assesses whether there is a significant increase in credit risk for receivables by comparing the risk of default as at the reporting date with that as at the date of initial recognition. The Group and the Company considers there has been a significant increase in credit risk when contractual terms change or payments are delayed. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group and the Company uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The Group and the Company measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the linear regressive analysis. The Group and the Company have identified the unemployment rate and Gross Domestic Product as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company considers the licensed banks to be of low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company also applies the 3-stage general approach (see information on other receivables above) to measure expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures expected credit losses on an individual basis, which aligns with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries to be of low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. This is because the Company is able to determine the timing of payments and the loans and advances are to be in default when the subsidiaries are unable to pay when demanded.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

For loans and advances that are repayable on demand, impairment losses are assessed on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practises prudent risk management by maintaining sufficient cash balances and the availability of funding through committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2025						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	38,597,290	38,597,290	38,597,290	-	-
Other payables and accruals	-	7,344,019	7,344,019	7,344,019	-	-
Amount owing to related parties	-	5,086,967	5,086,967	5,086,967	-	-
Hire purchase payables	4.30	100,249	103,880	62,328	41,552	-
Lease liabilities	7.42	185,893	197,600	124,800	72,800	-
Borrowings	4.49	27,167,874	27,340,864	26,106,187	1,234,677	-
		78,482,292	78,670,620	77,321,591	1,349,029	-

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2024						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	28,744,137	28,744,137	28,744,137	-	-
Other payables and accruals	-	5,419,090	5,419,090	5,419,090	-	-
Amount owing to related parties	-	3,240	3,240	3,240	-	-
Hire purchase payables	4.30	157,079	166,208	62,328	103,880	-
Lease liabilities	7.67	53,230	54,600	54,600	-	-
Borrowings	4.47	20,213,285	20,551,472	19,012,237	1,281,998	257,237
		54,590,061	54,938,747	53,295,632	1,385,878	257,237

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company				
2025				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	878,078	878,078	878,078

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.2 CAPITAL RISK MANAGEMENT

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

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2025 RM	2024 RM
Lease liabilities	185,893	53,230
Hire purchase payables	100,249	157,079
Borrowings	27,167,874	20,213,285
	27,454,016	20,423,594
Less: Cash and cash equivalents	(78,948,468)	(28,135,494)
Net cash	(51,494,452)	(7,711,900)
Total equity	118,905,174	47,898,454
Debt-to-equity ratio	*	*

* Not applicable as the Group's cash and cash equivalents exceed its borrowings.

There was no change in the Group's approach to capital management during the financial year.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company
	2025	2024	2025
	RM	RM	RM
Financial Assets			
<u>Amortised Cost</u>			
Trade receivables	30,283,851	35,705,563	-
Other receivables	1,120,077	282,324	7,800,000
Amount owing by directors	-	139,500	-
Amount owing by a related party	9,760	-	-
Amount owing by subsidiaries	-	-	10,146,607
Short-term investment	34,341,939	-	34,341,939
Fixed deposits with licensed banks	22,331,330	30,097,211	-
Cash and bank balances	30,548,627	15,843,630	2,470,496
	<u>118,635,584</u>	<u>82,068,228</u>	<u>54,759,042</u>
Financial Liabilities			
<u>Amortised Cost</u>			
Trade payables	38,597,290	28,744,137	-
Other payables and accruals	7,344,019	5,419,090	878,078
Amount owing to related parties	5,086,967	3,240	-
Hire purchase payables	100,249	157,079	-
Borrowings	27,167,874	20,213,285	-
	<u>78,296,399</u>	<u>54,536,831</u>	<u>878,078</u>

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.4 NET GAINS/(LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company 22.11.2024 (date of incorporation) to 31.12.2025 RM
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	
Financial Assets			
<u>Amortised Cost</u>			
Net gains recognised in profit or loss	331,987	181,956	44,693
Financial Liabilities			
<u>Amortised Cost</u>			
Net losses recognised in profit or loss	(716,862)	(431,081)	-

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2025								
<u>Financial assets</u>								
Short-term investments:								
- money market fund	-	34,341,939	-	-	-	-	34,341,939	34,341,939
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	100,249	-	100,249	100,249
Borrowings	-	-	-	-	392	-	392	392
- fixed rate	-	-	-	-	392	-	392	392
- floating rate	-	-	-	-	27,167,482	-	27,167,482	27,167,482

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 FAIR VALUE INFORMATION (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

The Group 2024	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	157,079	-	157,079	157,079
Borrowings								
- fixed rate	-	-	-	-	639,452	-	639,452	639,452
- floating rate	-	-	-	-	19,573,833	-	19,573,833	19,573,833

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 FAIR VALUE INFORMATION (Cont'd)

Fair Value of Financial Instruments Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of short-term investments is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of hire purchase payables and term loans that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period.
- (ii) The fair value of the Group's term loans that carry floating interest rate approximated their carrying amount as it is repriced to market interest rate on or near the reporting date.

There were no transfers between level 1 and level 2 during the financial year.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR/PERIOD

- (a) In conjunction with, and as an integral part of the listing of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad, the Company has undertaken the following restructuring exercise:-

Acquisition of shares

On 9 April 2025, the Company entered into Share Sale Agreements to acquire the equity interest in the following companies:

- (i) Acquisition of the entire equity interest in LAC Medical Supplies Sdn Bhd for a total purchase consideration of RM34,383,117, to be satisfied via the issuance of 229,220,780 new shares at an issue price of RM0.15 per share;
- (ii) Acquisition of the entire equity interest in CVS Medical Sdn Bhd for a total purchase consideration of RM13,455,930, to be satisfied via the issuance of 89,706,200 new shares at an issue price of RM0.15 per share; and
- (iii) Acquisition of the entire equity interest in GoCloud Solutions Sdn Bhd for a total purchase consideration of RM1,031,310, to be satisfied via the issuance of 6,875,400 new shares at an issue price of RM0.15 per share.

The acquisitions of the above companies were completed on 4 September 2025.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR/PERIOD (CONT'D)

- (b) In conjunction with, and as an integral part of the listing of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad, the following listing scheme was undertaken by the Company:-
- (i) Public issue of 74,197,600 new ordinary shares in the Company at an issue price of RM0.75 per share ("IPO Price") allocated in the following manner:-
 - (a) 20,000,000 new shares made available for application by the Malaysian Public;
 - (b) 4,197,600 new shares made available for application by the eligible directors, and employees of the Company and persons who have contributed to the success of the Company; and
 - (c) 50,000,000 new shares made available by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia.
 - (ii) Offer for sale of 30,000,000 existing shares by way of private placement to selected investors at the IPO Price.

The Company's entire enlarged issued and paid-up share capital comprising 400,000,000 ordinary shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 10 December 2025.

41. COMPARATIVE FIGURES

These are the first set of the Company's financial statements since its date of incorporation. Hence, no comparative figures are presented.

Analysis of Shareholdings As at 16 March 2026

Number of Issued Shares	:	400,000,000 Ordinary Shares
Voting Rights	:	One (1) Vote Per Ordinary Share

Distribution of Shareholdings

Range of holdings	No. of Holders	%	No. of Shareholdings	%
Less than 100	5	0.29	208	0.00
100 – 1,000 shares	381	21.91	207,500	0.05
1,001 – 10,000 shares	845	48.59	3,928,800	0.98
10,001 – 100,000 shares	384	22.08	14,321,900	3.58
100,001 – Less than 5% of issued shares	120	6.90	92,614,592	23.16
5% and above of issued shares	4	0.23	288,927,000	72.23
Total	1,739	100.00	400,000,000	100.00

Directors' Direct and Indirect Interests in the Company

Name	Number of Ordinary Shares Held			
	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
1. Liew Yoon Poh	83,678,700	20.92	-	-
2. Chan Yue Mun	74,416,100	18.61	-	-
3. Liew Yoon Kit	65,416,100	16.35	-	-
4. Dato' Ng Wan Peng	100,000	0.03	-	-
5. Goh Teck Hong	100,000	0.03	-	-
6. Lim Su May	100,000	0.03	-	-

Substantial Shareholders

Name	Number of Ordinary Shares Held			
	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
1. Liew Yoon Poh	83,678,700	20.92	-	-
2. Chan Yue Mun	74,416,100	18.61	-	-
3. Liew Yoon Kit	65,416,100	16.35	-	-
4. Giam Teck Eng	65,416,100	16.35	-	-

Analysis of Shareholdings As at 16 March 2026

List of Top Thirty (30) Shareholders

No.	Name	Number of Ordinary Shares Held	%
1.	Liew Yoon Poh	83,678,700	20.92
2.	Chan Yue Mun	74,416,100	18.61
3.	Giam Teck Eng	65,416,100	16.35
4.	Liew Yoon Kit	65,416,100	16.35
5.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt an for AIA Public Takaful Bhd.	7,026,600	1.76
6.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Principal Islamic Enhanced Opportunities Fund	6,826,900	1.71
7.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Principal Islamic Malaysia Opportunities Fund	5,824,500	1.46
8.	Hong Chong Chet	5,022,700	1.26
9.	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Exempt an for CGS International Securities Singapore Pte. Ltd. (Retail Clients)	3,616,300	0.90
10.	Yeoh Yew Choo	3,276,200	0.82
11.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Principal Islamic Lifetime Balanced Growth Fund	3,167,600	0.79
12.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Principal Islamic Lifetime Balanced Fund	2,907,700	0.73
13.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Taiyang Assets Sdn Bhd (7014659)	2,505,700	0.63
14.	Pelaburan Mara Berhad	2,500,000	0.63
15.	Kang Chun Ee	2,110,000	0.53
16.	Noor Izwan Fazly Bin Nor Azman	2,062,700	0.52
17.	Amanahraya Trustees Berhad Asn Umbrella for Asn Sara (Mixed Asset Conservative) 1	1,946,708	0.49
18.	Maybank Nominees (Tempatan) Sdn Bhd Mtrustee Berhad for Ethereal Capital Sdn. Bhd. (Growth Fund) (445788)	1,691,000	0.42
19.	Go Hooi Meng	1,350,000	0.34
20.	Ifast Nominees (Tempatan) Sdn Bhd Chan Shin Yin	1,340,700	0.34
21.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hilary Fernandez	1,332,500	0.33
22.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Kenangaesg)	1,185,900	0.30
23.	Cartaban Nominees (Tempatan) Sdn Bhd Exempt an for Standard Chartered Bank Malaysia Berhad (Wealth Management) (Tempatan)	1,085,000	0.27
24.	Maybank Nominees (Tempatan) Sdn Bhd Chan Tze Ming	1,080,000	0.27
25.	HSBC Nominees (Asing) Sdn Bhd J.P. Morgan Securities Plc	1,077,100	0.27
26.	CIMB Group Nominees (Tempatan) Sdn Bhd Labuan Reinsurance (L) Ltd	1,043,300	0.26
27.	Firstview Development Sdn Bhd	1,000,000	0.25
28.	Cartaban Nominees (Asing) Sdn Bhd Exempt an for Barclays Capital Securities Ltd (Sbl/Pb)	978,100	0.24
29.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Zurich Takaful Malaysia Berhad (Il-Flexi)	964,500	0.24
30.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Doh Jee Ming	877,900	0.22
Total		352,726,608	88.18

Notice of First Annual General Meeting

NOTICE IS HEREBY GIVEN that the First Annual General Meeting (“**1st AGM**”) of LAC Med Berhad (“**LAC**” or “**Company**”) will be held at Greens III, Sports Wing, Jalan Kelab Tropicana, Tropicana Golf and Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Monday, 18 May 2026 at 10.00 a.m.**, to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To approve the payment of Directors’ fees up to an amount of RM350,000.00 for the period from 19 May 2026 until the next Annual General Meeting of the Company to be held in 2027. **Ordinary Resolution 1**
(Please refer to Explanatory Note 2)
3. To approve the payment of Directors’ benefits up to an amount of RM151,000.00 for the period from 19 May 2026 until the next Annual General Meeting of the Company to be held in 2027. **Ordinary Resolution 2**
(Please refer to Explanatory Note 2)
4. To re-elect the following Directors who are retiring by rotation in accordance with Clause 78 of the Constitution of the Company and, who being eligible, offer themselves for re-election:
 - (a) Mr Liew Yoon Kit
 - (b) Mr Liew Yoon Poh
 - (c) Dato’ Ng Wan Peng
 - (d) Mr Goh Teck Hong
 - (e) Mr Chan Yue Mun
 - (f) Ms Lim Su May**Ordinary Resolution 3**
Ordinary Resolution 4
Ordinary Resolution 5
Ordinary Resolution 6
Ordinary Resolution 7
Ordinary Resolution 8
(Please refer to Explanatory Note 3)
5. To re-appoint Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 9**
(Please refer to Explanatory Note 4)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications:

6. **ORDINARY RESOLUTION**
PROPOSED SHAREHOLDERS’ RATIFICATION FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries (collectively, the “Group”) be and are hereby authorised to enter into and give effect to all recurrent related party transactions of a revenue or trading nature as set out in Section 2.5 of the Circular to Shareholders of the Company dated 17 April 2026 with the related parties mentioned therein, provided that such transactions are:-

Ordinary Resolution 10
(Please refer to Explanatory Note 5)

Notice of First Annual General Meeting

- (i) necessary for the day-to-day operations;
- (ii) undertaken in the ordinary course of business on an arm's length basis and on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to and/or from the public; and
- (iii) not detrimental to the minority shareholders of Company.

THAT such authority shall continue to be in force until -

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at such general meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

THAT all recurrent related party transactions entered into by the related parties from 10 December 2025, being the date of listing of the Company on the Main Market of Bursa Malaysia Securities Berhad, up to the date of this ordinary resolution, particulars of which are set out in Section 2.5 of the Circular to Shareholders of the Company dated 17 April 2026, be and are hereby approved, confirmed and ratified.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including executing all such documents as may be required) as they may deemed fit and expedient in the interest of the Company or necessary to give full effect to the transactions contemplated and/or authorised by this ordinary resolution."

7. **ORDINARY RESOLUTION AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, upon such terms and conditions, and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Ordinary Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

Ordinary Resolution 11
(Please refer to Explanatory
Note 6)

Notice of First Annual General Meeting

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

REBECCA KONG SAY TSUI (SSM PC NO. 202008001003) (MAICSA 7039304)

YENG SHI MEI (SSM PC NO. 202008001282) (MAICSA 7059759)

Company Secretaries

Selangor Darul Ehsan

17 April 2026

NOTES:-

1. *For the purpose of determining who shall be entitled to attend this 1st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 8 May 2026**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this 1st AGM or appoint a proxy to attend, speak and vote (collectively, "participate") on his/her/its behalf.*
2. *A member who is entitled to participate in this 1st AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.*
4. *If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").*
5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:*

(i) *In hard copy form*

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company, AscendServ Capital Markets Services Sdn. Bhd.'s office at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Notice of First Annual General Meeting

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via **Dvote Online** website at <https://www.dvote.my>.

Kindly refer to the Administrative Details for the AGM on the procedures for electronic lodgement of proxy form.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is **Saturday, 16 May 2026 at 10.00 a.m.**
11. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - (i) Identity card (NRIC) (Malaysian); or
 - (ii) Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - (iii) Passport (Foreigner).
12. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
13. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative at the Registered Office of the Company situated at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Explanatory Notes:

Ordinary Business

1. **Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2025**

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("**the Act**") does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this item on the Agenda will not be put forward for voting by shareholders of the Company.

2. **Ordinary Resolutions 1 and 2 – Payment of Directors' fees and Benefits**

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

Notice of First Annual General Meeting

On 27 February 2026, the Nomination and Remuneration Committee had reviewed Directors' fees and benefits for the Independent Non-Executive Directors for the period from 19 May 2026 until the next Annual General Meeting of the Company to be held in 2027, taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors.

The proposed Ordinary Resolution 1, if passed, will give authority to the Company to pay the Directors' fees for the period from 19 May 2026 until the next Annual General Meeting of the Company to be held in 2027 as and when their services are rendered.

The proposed Ordinary Resolution 2 is to facilitate the payment of Directors' benefits for the period from 19 May 2026 until the next Annual General Meeting of the Company to be held in 2027. Directors' benefits include meeting allowances and other emoluments payable to the Directors and in determining the estimated total, the Board of Directors ("Board") had considered various factors including the number of scheduled meetings for the Board and Board Committees meetings.

The proposed structure of the Directors' benefits for the period from 19 May 2026 until the next Annual General Meeting of the Company to be held in 2027 is as follows:

Type of Benefits	Amount
Meeting Allowance	RM2,000.00 per meeting
Directors' & Officers' Liability Insurance Premium	RM3,000.00

Payment of the Directors' benefits will be made by the Company to the respective Directors as and when incurred if the proposed Ordinary Resolution 2 is passed by the shareholders at the 1st AGM.

In the event that the Directors' fees and benefits proposed are insufficient, approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

3. **Ordinary Resolutions 3 to 8 – Re-election of Directors who retire in accordance with Clause 78 of the Constitution of the Company**

Mr Liew Yoon Kit, Mr Liew Yoon Poh, Dato' Ng Wan Peng, Mr Goh Teck Hong, Mr Chan Yue Mun and Ms Lim Su May are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 1st AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance, the profiles of the Directors are set out on pages 15 to 20 of the Annual Report 2025. For the purpose of determining the eligibility of the Directors to stand for re-election at the 1st AGM, the Board had via its Nomination and Remuneration Committee ("NRC"), considered, assessed and deliberated on the suitability of the said Directors to be re-elected as Directors of the Company based on the assessment on fit and proper. Based on the recommendation of NRC, the Board supports the re-election of the aforementioned Directors with the following justifications:

Ordinary Resolution 3: Re-election of Mr Liew Yoon Kit as Non-Independent Non-Executive Chairman

Mr Liew Yoon Kit remains objective in expressing his views and participating in Board deliberations and decision-making.

He has extensive entrepreneurial and industry experience in the Information and Communications Technology ("ICT") sector, particularly in distribution, infrastructure and digital solutions, and is able to provide the Board with a diverse set of expertise and perspective.

He is responsible for leading the Board in adopting good corporate governance practices and guiding the Board in fulfilling its duties to improve the overall efficiency.

He has exercised his due care and carried out his professional duties proficiently as Non-Independent Non-Executive Chairman of the Company.

Notice of First Annual General Meeting

Ordinary Resolution 4: Re-election of Mr Liew Yoon Poh as Group Chief Executive Officer

Mr Liew Yoon Poh remains objective in expressing his view and managing the daily operations of the Group efficiently.

He has extensive experience in business development, sales and marketing, and leadership within the healthcare and medical distribution sector. He is responsible for steering the Group's overall direction and the formulation of business development strategies to ensure sustainability and growth of the business.

He has exercised his due care and carried out his professional duties proficiently as Group Chief Executive Officer of the Group.

Ordinary Resolution 5: Re-election of Dato' Ng Wan Peng as Senior Independent Non-Executive Director

Dato' Ng Wan Peng fulfils the requirements of independence set out in Practice Note 13 of the Main Market Listing Requirements of Bursa Securities ("MMLR"). She remains objective and independent in expressing her views and participating in Board deliberations and decision-making.

She has extensive experience in ICT, digital transformation, and strategic leadership across both the private and public sectors, and is able to provide the Board with a diverse set of expertise and perspective.

She has exercised her due care and carried out her professional duties as the Senior Independent Non-Executive Director of the Company.

Ordinary Resolution 6: Re-election of Mr Goh Teck Hong as Independent Non-Executive Director

Mr Goh Teck Hong fulfils the requirements of independence set out in Practice Note 13 of the MMLR. He remains objective and independent in expressing his views and participating in Board deliberations and decision-making.

He has extensive experience in corporate finance, investment banking, and Islamic finance, with a strong track record in mergers and acquisitions, fundraising, and strategic advisory, and is able to provide the Board with a diverse set of expertise and perspective.

He has exercised his due care and carried out his professional duties proficiently as an Independent Non-Executive Director of the Company.

Ordinary Resolution 7: Re-election of Mr Chan Yue Mun as Non-Independent Non-Executive Director

Mr Chan Yue Mun remains objective in expressing his views and participating in Board deliberations and decision-making.

He has extensive experience in finance, credit management, and business operations, with a strong background in the financial services and ICT sectors.

He has exercised his due care and carried out his professional duties proficiently as a Non-Independent Non-Executive Director of the Company.

Ordinary Resolution 8: Re-election of Ms Lim Su May as Independent Non-Executive Director

Ms Lim Su May fulfils the requirements of independence set out in Practice Note 13 of the MMLR. She remains objective and independent in expressing her views and participating in Board deliberations and decision-making.

She has extensive experience in investment banking, corporate finance, and capital markets, with a strong track record in equity and debt fundraising, strategic planning, and market development, and is able to provide the Board with a diverse set of expertise and perspective.

Notice of First Annual General Meeting

She has exercised her due care and carried out her professional duties proficiently as an Independent Non-Executive Director of the Company.

Based on the above, the Board collectively agreed that the Directors had met the criteria as prescribed by Paragraph 2.20A of MMLR on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. The Board was also satisfied with the fit and proper assessment completed by the retiring Directors.

4. **Ordinary Resolution 9 – Re-appointment of Auditors**

The Audit and Risk Management Committee (“ARMC”) had at its meeting held on 27 February 2026 assessed the suitability and independence of the External Auditors and recommended the re-appointment of Crowe Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2026. Crowe Malaysia PLT had notified the Company of their intention to seek re-appointment as auditors.

The Board has in turn reviewed the recommendation of the ARMC and recommended the same to be tabled to the shareholders for approval at the 1st AGM.

Special Business

5. **Ordinary Resolution 10 – Proposed Shareholders’ Ratification for Recurrent Related Party Transactions of a revenue or trading nature and Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a revenue or trading nature**

The proposed Resolution 10, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature (“RRPTs”), which are necessary for the day-to-day operations of the Company, subject to the transactions being in the ordinary course of business and are made on an arm’s length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to and/or from the public, and are in the Company’s opinion, not detrimental to the interest of the minority shareholders of the Company.

The proposed shareholders’ ratification is sought for RRPTs entered into prior to obtaining the shareholders’ mandate, while the proposed new shareholders’ mandate will, if approved, enable the Company to continue entering into such RRPTs without the need for separate shareholders’ approval for each transaction, provided that the transactions are disclosed in accordance with the relevant regulatory requirements.

Please refer to the Circular to Shareholders dated 17 April 2026 for further information.

6. **Ordinary Resolution 11 – Authority to allot shares pursuant to Sections 75 and 76 of the Act**

*The proposed Ordinary Resolution 11, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being (“**Proposed General Mandate**”).*

The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed resolution is a renewal of the previous year’s mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional costs and time.

Notice of First Annual General Meeting

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

The Company had issued and allotted a total of 399,999,980 ordinary shares pursuant to the mandate granted to the Directors at the Extraordinary General Meeting held on 4 September 2025 as per the details below, before the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad on 10 December 2025 pursuant to the share sale agreements and initial public offering:

<u>Date of allotment</u>	<u>Issue price per share</u>	<u>Number of ordinary shares</u>
4 September 2025	RM0.15	325,802,380
8 December 2025	RM0.75	74,197,600
		399,999,980

As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

Statement Accompanying Notice of 1st Annual General Meeting

(pursuant to Paragraph 8.27 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Authority for Directors to allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

Kindly refer to Explanatory Note 6 on pages 218 and 219

**LAC MED BERHAD**Registration No. 202401049485 (1595329H)
(Incorporated in Malaysia) ("the Company")**Number of Shares Held****CDS Account No.****PROXY FORM**

I/We _____ Tel. No. _____
[Full name in block, NRIC/Passport/Registration No.]
of _____
[Address]

being member(s) of **LAC MED BERHAD**, hereby appoint:-

Full Name (in block capitals and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
Address:		No. of shares	%
Email Address:	Mobile Phone No.:		

^and/or

Full Name (in block capitals and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
Address:		No. of shares	%
Email Address:	Mobile Phone No.:		

or failing him/her, the Chairman of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the First Annual General Meeting of the Company, which will be held at Greens III, Sports Wing, Jalan Kelab Tropicana, Tropicana Golf and Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Monday, 18 May 2026 at 10.00 a.m.** or any adjournment thereof, and to vote as indicated below:

Resolution No.	Description of Resolution	For	Against
1	Approval for the payment of Directors' fees up to an amount of RM350,000.00 for the period from 19 May 2026 up to the next Annual General Meeting to be held in 2027		
2	Approval for the payment of Directors' benefits up to an amount of RM151,000.00 for the period from 19 May 2026 up to the next Annual General Meeting to be held in 2027		
3	Re-election of Liew Yoon Kit as Director of the Company		
4	Re-election of Liew Yoon Poh as Director of the Company		
5	Re-election of Dato' Ng Wan Peng as Director of the Company		
6	Re-election of Goh Teck Hong as Director of the Company		
7	Re-election of Chan Yue Mun as Director of the Company		
8	Re-election of Lim Su May as Director of the Company		
9	Re-appointment of Crowe Malaysia PLT as Auditors of the Company		
10	Proposed Shareholders' Ratification for Recurrent Related Party Transactions of a revenue or trading nature and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature		
11	Authority to allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fits.

Signed this _____ day of _____ 2026

Signature
Member

^ Delete whichever is inapplicable

* Manner of execution:

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:

(i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. For the purpose of determining who shall be entitled to attend this 1st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 8 May 2026**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this 1st AGM or appoint a proxy to attend, speak and vote (collectively, "participate") on his/her/its behalf.
3. A member who is entitled to participate in this 1st AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company, AscendServ Capital Markets Services Sdn. Bhd.'s office at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via **Dvote Online website** at <https://www.dvote.my>.

Kindly refer to the Administrative Details for the AGM on the procedures for electronic lodgement of proxy form.

10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is Saturday, 16 May 2026 at 10.00 a.m.
12. Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:
 - (i) Identity card (NRIC) (Malaysian); or
 - (ii) Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - (iii) Passport (Foreigner).
13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
14. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative at the Registered Office of the Company situated at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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AFFIX
STAMP

AscendServ Capital Markets Services Sdn. Bhd
(Share Registrar of the Company)
Office Suite No. 603 Block C,
Pusat Dagangan Phileo Damansara 1, No. 9,
Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

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