



GEMILANG INTERNATIONAL LIMITED

彭順國際有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: HK6163

2025

ANNUAL REPORT



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EXECUTIVE DIRECTORS

Mr. Pang Chong Yong
(Chairman and Chief Executive Officer)
Mr. Yik Wai Peng
(Chief Financial Officer)
Mr. Pang Jun Jie

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Huan Yean San
Mr. Andrew Ling Yew Chung
Ms. Kwok Yuen Lam Sophia

AUDIT COMMITTEE

Mr. Huan Yean San *(Chairman)*
Mr. Andrew Ling Yew Chung
Ms. Kwok Yuen Lam Sophia

NOMINATION COMMITTEE

Mr. Pang Chong Yong *(Chairman)*
Mr. Andrew Ling Yew Chung
Mr. Huan Yean San (ceased to be a member with effect from 20 June 2025)
Ms. Kwok Yuen Lam Sophia (appointed as a member with effect from 20 June 2025)

REMUNERATION COMMITTEE

Mr. Huan Yean San *(Chairman)*
Mr. Pang Chong Yong
Mr. Andrew Ling Yew Chung

COMPANY SECRETARY

Mr. Chiu Chun Yin

AUTHORISED REPRESENTATIVE UNDER PART 16 OF THE COMPANIES ORDINANCE

Mr. Chiu Chun Yin

AUTHORISED REPRESENTATIVES UNDER THE LISTING RULES

Mr. Chiu Chun Yin
Mr. Yik Wai Peng

AUDITORS

SHINEWING (HK) CPA Limited

17/F, Chubb Tower
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311 Gloucester Road
Causeway Bay, Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

CLKW Lawyers LLP in association with Michael Li & Co.

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Malaysia

Export-Import Bank of Malaysia Berhad

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Malaysia

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square
Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands



HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Kwai Chung, Hong Kong

SHARE LISTING

The Stock Exchange of Hong Kong Limited
(the “**Stock Exchange**”)
Stock code: 6163.HK
Board lot: 2,000 shares

CORPORATE WEBSITE ADDRESS AND INVESTOR RELATIONS CONTACT

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 October				
	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
Revenue	25,973	22,956	14,265	27,474	33,527
Cost of sales	(21,460)	(18,751)	(12,080)	(22,557)	(28,112)
Gross profit	4,513	4,205	2,185	4,917	5,415
(Loss)/profit before taxation	(238)	(514)	(2,884)	(1,241)	1,331
Income tax (expense)/credit	(200)	(517)	97	(136)	(507)
(Loss)/profit for the year attributable to equity owners of the Company	(430)	(1,027)	(2,787)	(1,377)	824

CONDENSED CONSOLIDATED ASSETS AND LIABILITIES

	As at 31 October				
	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
Total assets	48,736	35,043	34,152	35,495	36,475
Total liabilities	33,550	21,085	20,403	19,323	17,279
Total equity	15,186	13,958	13,749	16,172	19,196

“ We *will closely monitor the change of global economy and the potential increase in competition during the development of EV market, and shall remain cautiously optimistic to explore various opportunities to develop the Group’s businesses.*

Mr. Pang Chong Yong
Chairman





Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**"), I am pleased to present the annual report of Gemilang International Limited (the "**Company**") together with its subsidiaries (collectively, the "**Group**") for the financial year ended 31 October 2025 (the "**Year**").

RESULTS

During the Year, the Group recorded a revenue of approximately US\$25.97 million, representing an increase of approximately 13.1% from approximately US\$22.96 million for the financial year ended 31 October 2024 (the "**Preceding Year**"). The gross profit for the Year amounted to approximately US\$4.51 million, which represented a gross profit margin of approximately 17.4% (2024: approximately 18.3%), an increase of approximately 7.3% as compared with the Preceding Year, and the decrease in gross profit margin is mainly due to the completion of an order from Australia during the Preceding Year which the Group recorded higher gross profit margin.

Loss for the Year attributable to the equity owners of the Company was approximately US\$0.43 million (2024: approximately US\$1.03 million). The decrease in loss for the Year as compared with the Preceding Year was mainly attributable to the decrease in net allowance for impairment losses on trade and other receivables and the increase in sales of bus bodies and kits.

The Group's results are discussed in detail under the section headed "Management Discussion and Analysis" in this annual report.

DIVIDENDS

The Board does not recommend the payment of any final dividend for the Year (2024: Nil).

OUTLOOK

During the Year, the Group is continually engaging in increasing number of orders for electric vehicle (the "**EV**"). The total number of EV delivered to the Group's customers during the Year was 126 units, which represented an increase of approximately 25% as compared to 101 units during the Preceding Year.



The Group has been proactively discussing with its major customers and approaching potential customers for the sales and manufacturing of EV, and the proportion of EV orders of the Group is continuously increasing. In addition to the sales of the manufactured EV of the Group, the Group has also captured the opportunity to trade the completed electric vans in Singapore to broaden the Group's exposure in EV market. Nevertheless, the Group will continue to leverage on its experience in manufacturing of diesel-power vehicles to maintain a stable revenue stream from the sales and manufacturing of diesel-power vehicles.

The Group has already received number of purchase orders, including certain purchase orders of EVs, from customers of different regions (Malaysia, Singapore, Australia, New Zealand, United States of America (the "USA"), Hong Kong and Dubai, etc.).

On the other hand, from the Preceding Year, the Group has also started to lease motor vehicles to customers to increase the passive income of the Group. The Group will continue to assess different business opportunities associated with the Group's core business to diversify the Group's revenue sources.

The Group strongly believes that EV is becoming the focus of the vehicle market and has the huge potential for the Group to develop. In order to enhance the Group's product diversification, the Group would also explore the possibility of manufacturing a wider range of electric commercial and special purposed vehicle with the best effort to leverage on its previous experience in manufacturing the bodies of these kind of vehicles. In terms of global market presence, the Group has already begun to expand its footprint in the USA, Australia and New Zealand, as well as to gain exposure in other countries in Asia and the Middle East, such as Dubai and the United Arab Emirates. The Group will also consider to expand the Group's factory in Malaysia to capture the increasing business opportunities in EV market when it is necessary.

The Board believes that through the continuous efforts of the Group's employees and with the support from the shareholders (the "Shareholders") and other stakeholders of the Company, as well as the continuous development of EV market, the Group's business performance will gradually improve in the coming financial years. The Group will closely monitor the change of global economy and the potential increase in competition during the development of EV market, and shall remain cautiously optimistic to explore various opportunities to develop the Group's businesses. The management of the Group will formulate different business strategies to utilise the Group's resources effectively to maintain sustainable long-term growth and identify and explore other potential business opportunities with a view to diversifying the Group's earnings base and enhancing returns for the Shareholders.

APPRECIATION

I would like to take this opportunity to extend my sincere gratitude to the Shareholders, customers and business partners of the Group for their continuous support and trust and thank my fellow Directors for their concerted effort and insights throughout the past years. We treasure the efforts from the Group's management team and the unwavering commitment of our staff. Please allow me to express my sincere appreciation to our management team and staff for their dedication and commitment.

Pang Chong Yong
Chairman

23 January 2026



BUSINESS OVERVIEW

The Group designs and manufactures bus bodies and assembles buses. The Group divides its target markets into two segments, namely core markets which comprise Singapore and Malaysia, and developing markets which comprise all other markets to where the Group exports its products, including Australia, New Zealand, Hong Kong and the USA. The Group's buses, comprising city buses and coaches in aluminium, mainly serve public and private bus transportation operators in its target markets.

The Group's products mainly include single deck, double deck and articulated city buses, as well as single deck, double deck and high deck coaches.

The Group sells its products to public and private bus transportation operators, chassis principals and their purchasing agents, bus assemblers and manufacturers in two categories: (i) in the form of bus bodies (SKDs⁽³⁾ and CKDs⁽²⁾) for their local assembly and onward sales; and (ii) buses (CBUs⁽¹⁾).

Apart from manufacturing bus bodies and assembling buses, the Group also provides after-sales services in maintenance of bus bodies and sales of related spare parts. During the Year, the Group has also leased motor vehicles to the customers.

During the Year, approximately 84.3% (2024: 80.3%) of the Group's revenue was contributed by the sales of buses and bus bodies, which was mainly derived from the sales of aluminium buses and bus bodies. The demand in aluminium buses and bus bodies will continue to be the major business drive as using aluminium as materials meets environmental standards. Aluminium is likely the preferred material for buses, in particular electric buses, due to its lighter weight which results in better energy efficiency.

The Group delivered a total of 104 units of buses (CBUs⁽¹⁾) and 159 units of CKDs⁽²⁾ to its customers during the Year.

Notes:

⁽¹⁾ CBU: completely built up, means a fully completed bus ready for immediate operation

⁽²⁾ CKD: completely knocked down, means completely knocked down parts and components for the side, front, rear and extended chassis frames, and roof

⁽³⁾ SKD: semi knocked down parts, where only constructed side, front, rear and extended chassis frames, and roof are provided and the frames and roof are not joined to each other



The following tables set out information about the geographical location of the Group's revenue from external customers, for its two principal segments, namely, sales of bus bodies and kits and sales of parts and provision of relevant services, respectively.

Sales of bus bodies and kits segment

	Revenue from external customers	
	For the year ended 31 October	
	2025 US\$'000	2024 US\$'000
Malaysia (place of domicile)	9,856	4,430
New Zealand	6,516	1,562
Hong Kong	3,103	3,759
Singapore	1,716	2,279
USA	551	1,789
Australia	–	4,067
Others	143	542
	21,885	18,428

The sales of bus bodies and kits segment is the major source of income for the Group, with the sales of whole buses as the major product of the Group contributing approximately 84% of revenue for the Year (2024: 80%). The revenue generated from this segment amounted to approximately US\$21.89 million during the Year, representing an increase of approximately US\$3.46 million or 18.8% as compared with approximately US\$18.43 million for the year ended 31 October 2024. The increase in revenue in this segment was mainly attributable to the increase in revenue from the sale of CBUs to customers in Malaysia and the sale of CKDs to customers in New Zealand during the Year as compared to the year ended 31 October 2024.

The increase in revenue from the Malaysia market in this segment was approximately US\$5.43 million or 122.5%, from approximately US\$4.43 million for the year ended 31 October 2024 to approximately US\$9.86 million for the Year. During the Year, the Group delivered a total of 46 units of CBUs and 2 units of CKDs (2024: 23 units of CBUs and 0 unit of CKD) to its customers in Malaysia.

During the Year, the Group delivered a total of 24 units of CBUs and 137 units of CKDs (2024: 4 units of CBUs and 49 units of CKDs) to its customers in New Zealand and recognised revenue of approximately US\$6.52 million for the Year, resulting in an increase in revenue from New Zealand market in this segment of approximately US\$4.96 million or 317.2% as compared to approximately US\$1.56 million for the year ended 31 October 2024.

The revenue from the Hong Kong market in this segment was approximately US\$3.10 million during the Year, representing a decrease of approximately US\$0.66 million or 17.5%, from approximately US\$3.76 million for the year ended 31 October 2024. During the Year, the Group delivered 15 units of CBUs (2024: 31 units of CBUs) to its customers in Hong Kong.



The revenue from the Singapore market in this segment was approximately US\$1.72 million during the Year, representing a decrease of approximately US\$0.56 million or 24.7%, from approximately US\$2.28 million for the year ended 31 October 2024. During the Year, the Group delivered 7 units of CBUs and 0 units of CKD (2024: 23 units of CBUs and 1 unit of CKD) to its customers in Singapore.

The revenue from the USA market in this segment was approximately US\$0.55 million during the Year, representing a decrease of approximately US\$1.24 million or 69.2%, from approximately US\$1.79 million for the year ended 31 October 2024. During the Year, the Group delivered 11 units of CBUs and 20 units of CKDs (2024: 25 units of CBUs and 0 unit of CKD) to its customers in the USA.

During the Year, no revenue was recognised from the sale of the bus bodies and kits from Australia market, where the Group recognised approximately US\$4.07 million from 17 units of CBUs delivered to its customers in Australia during the year ended 31 October 2024.

Sales of parts and provision of relevant services segment

	Revenue from external customers	
	For the year ended 31 October	
	2025 US\$'000	2024 US\$'000
Malaysia (place of domicile)	8	115
Singapore	3,139	3,542
USA	307	192
New Zealand	101	306
Australia	99	197
Hong Kong	57	59
Others	100	5
	3,811	4,416

The segment of sales of parts and provision of relevant services is the Group's secondary source of income, the revenue of which is mainly generated from providing after-sales service and sales of parts to the Group's customers. The revenue generated from sales of parts and provision of relevant services segment amounted to approximately US\$3.81 million during the Year, representing a decrease of approximately US\$0.61 million or 13.7% as compared with approximately US\$4.42 million for the year ended 31 October 2024.

Rental income from motor vehicles

During the Year, the Group had leased the motor vans to customers in Malaysia and recorded revenue of approximately US\$0.28 million (2024: US\$0.11 million).



OPERATING RESULTS AND FINANCIAL REVIEW

Revenue

The Group's revenue was principally generated from the assembly and sales of aluminium buses and the manufacture of bus bodies. The Group generated revenue of approximately US\$25.97 million and US\$22.96 million for the Year and for the year ended 31 October 2024, respectively. The increase in revenue was mainly attributable to the increase in revenue from sales of bus bodies and kits during the Year as compared to the year ended 31 October 2024.

By product category

The Group derives its revenue mainly from the assembly and sales of aluminium buses (CBUs) and the manufacture of bus bodies in the form of SKDs or CKDs. The following table sets out the revenue from different product segments:

	For the year ended 31 October			
	2025		2024	
	US\$'000	%	US\$'000	%
Bus (CBU)				
– City Bus	17,759	68.4	16,360	71.3
– Coach	–	–	173	0.8
– Others	1,258	4.8	–	–
Bus Body (CKD)				
– City Bus	2,868	11.1	1,895	8.3
Maintenance and after-sales service	3,811	14.7	4,416	19.2
Rental income from motor vehicles	277	1.0	112	0.4
Total	25,973	100.0	22,956	100.0

Gross profit

The Group's gross profit was approximately US\$4.51 million and US\$4.21 million for the Year and for the year ended 31 October 2024, respectively. The Group's gross profit margin was approximately 17.4% and approximately 18.3% for the Year and for the year ended 31 October 2024, respectively. The decrease in gross profit margin for the Year as compared to the year ended 31 October 2024 was due to the relatively high gross profit margin recorded from the sales of EV bus bodies to Australia during the year ended 31 October 2024.

Selling and distribution expenses

The Group's selling and distribution expenses primarily include advertising and promotion expenses, logistic expenses, commission expenses as well as travelling expenses for sales personnel. The Group's selling and distribution expenses for the Year was approximately US\$0.57 million, which was no significant variance as compare with approximately US\$0.63 million during the year ended 31 October 2024.



Net allowance for impairment losses on trade and other receivables

During the Year, the Group recognised approximately US\$0.07 million of net allowance for impairment losses on trade and other receivables (2024: US\$1.56 million).

The net allowance for impairment losses on other receivables for the year ended 31 October 2024 was attributable to one of the Group's other receivables arising from the return of certain inventories under the sales of program and related intellectual property rights segment. As at 31 October 2024, the Group assessed the outstanding receivable of approximately US\$3.72 million (the "**Receivables**") to be credit-impaired due to default in payment and approximately US\$1.55 million of allowance for impairment losses on other receivables was recognised during the year ended 31 October 2024. The valuation was performed in accordance with Hong Kong Financial Reporting Standard 9 – "Financial Instruments" to estimate the expected credit loss of the Receivables. During the Year, as the Receivables had been fully impaired as at 31 October 2024, no further allowance for impairment losses on the Receivables was recognised.

For net allowance for impairment losses on trade receivables, the Group had recognised approximately US\$0.07 million during the Year (2024: US\$2,000 of net reversal for impairment losses).

General and administrative expenses

The Group's general and administrative expenses mainly comprised staff costs as well as legal and professional fees. Staff costs mainly represent the salary and staff benefits paid to the Group's management and staff who were not directly involved in the production.

General and administrative expenses increased by approximately US\$0.48 million or 15.0% from approximately US\$3.17 million for the year ended 31 October 2024 to approximately US\$3.65 million for the Year. The increase was mainly attributable to increase in staff costs as compared to the year ended 31 October 2024 due to the revision in management staff salaries during the Year.

Income tax expense

The Group recorded an income tax expense of approximately US\$0.20 million for the Year (2024: US\$0.52 million). The income tax expense for the Year was mainly attributable to (i) the provision of income taxes for the subsidiary in Singapore; and (ii) the temporary tax difference mainly arose from the unutilised tax losses in Malaysia.

Significant investments held

During the Year, there was no significant investment held by the Group.

Future plans for material investments and capital assets

The Group did not have other plans for material investments and capital assets.



Material acquisitions and disposals of subsidiaries, associates, joint ventures and assets

There was no material acquisition or disposal of subsidiaries, associates, joint ventures and assets by the Group during the Year.

Pledge of assets

As at 31 October 2025, bank deposits of approximately US\$20,000 (2024: approximately US\$0.13 million) as disclosed in the consolidated statement of financial position have been pledged to banks as security for banking facilities granted to the Group. The net book value of the following assets which were pledged to banks to secure certain banking facilities granted to the Group is as follows:

	2025 US\$'000	2024 US\$'000
Freehold land	1,835	1,760
Buildings	4,083	3,812
Financial assets at fair value through profit or loss ("FVPL")	64	115
	<u>5,982</u>	<u>5,687</u>

Contingent liabilities

As at 31 October 2025, the Group had the following contingent liabilities:

	2025 US\$'000	2024 US\$'000
Performance bonds for contracts in favour of customers	<u>26</u>	<u>26</u>

The above performance bonds were given by banks in favour of some of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks to pay to them the sum or sums stipulated under such demand. The Group will then become liable to compensate such banks accordingly. The performance bonds will be released upon the completion of the contract work for the relevant customers.



Capital commitments

Significant capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

	2025 US\$'000	2024 US\$'000
Contracted but not provided for:		
– Investment in a joint venture (<i>note (i)</i>)	–	211
– Acquisition of a subsidiary (<i>note (ii)</i>)	247	237
	247	448

Notes:

(i) During the year ended 31 October 2019, 順鋁(上海)汽車科技有限公司 (“順鋁(上海)”), an indirectly wholly-owned subsidiary of the Company, entered into a joint venture agreement (the “**JV agreement**”) with 上海北斗新能源有限公司 (“**Beidou**”) pursuant to which both companies agreed to establish a joint venture company, 上海北鋁汽車科技有限公司 (the “**JV Company**”). Pursuant to the JV agreement, the amount of registered capital of the JV Company shall be RMB3,000,000 while 順鋁(上海) and Beidou shall each account for a capital contribution of RMB1,500,000. During the Year, the JV Company was deregistered and the Group no longer has any obligations to contribute to its capital after its deregistration.

(ii) On 27 October 2022, Gemilang Limited (the “**Purchaser**”), being direct wholly-owned subsidiary of the Company, and Mr. Pang Chong Yong (“**Mr. CY Pang**”) and Mr. Pang Jun Kang (“**Mr. JK Pang**”), together with Mr. CY Pang, the “**Vendors**”), entered into a conditional share sale agreement (the “**Conditional Share Sale Agreement**”), pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire issued share capital of GML Premier Sdn. Bhd. (the “**Target Company**”) and the sums of money advanced to and expended by the Vendors for the Target Company which are due and owing to the Vendors by the Target Company, for an aggregate consideration of RM2,591,244 (equivalent to approximately US\$550,000[^]). RM1,554,746 (equivalent to approximately US\$330,000[^]), being the deposit and part payment towards account of the consideration, had been paid by the Purchaser to the Vendors upon the execution of the Conditional Share Sale Agreement.

On 19 October 2023, the Purchaser and the Vendors have mutually agreed to extend conditional period, which was initially 12 months from the date of the Conditional Share Sale Agreement. i.e. 26 October 2023, for a further period of six (6) months, i.e. to 26 April 2024, as additional time is required for the parties to obtain approvals from relevant authorities in Malaysia on the change of the category of land use and transfer of shares.

On 19 April 2024, the Purchaser and the Vendors have mutually agreed to further extend the conditional period for a period of six (6) months to 26 October 2024. On 16 October 2024, the Vendors and the Purchaser have mutually agreed to further extend the conditional period for a period of nine (9) months to 26 July 2025. On 17 July 2025, the Vendors and the Purchaser have mutually agreed to further extend the conditional period for a period of nine (9) months to 26 April 2026.

For further details of the Conditional Share Sale Agreement, please refer to the announcements of the Company dated 27 October 2022, 19 October 2023, 19 April 2024, 16 October 2024 and 17 July 2025.

[^] Exchange rate applied as at the date of the Conditional Share Sale Agreement: RM1.00 = US\$0.2122



PROSPECTS

The Group's objective is to become one of the leading bus manufacturing solution providers in Asia. The Group believes the Asia market has a lot of growth potential as countries continue to urbanise with a growing population and bus is a convenient and cost efficient form of public transportation that can be implemented in many areas. The Group believes that it is well positioned and equipped with the technological capability to capture this opportunity.

The following highlights the Group's key development strategies:

The Group plans to capture the rising demand of body solutions for electric buses in the Asia Pacific Region

The general demand for EV including buses is in an increasing trend and the Group continues to use its best endeavour to explore further of venturing or gaining more exposure in the Asia Pacific region with Malaysia and Singapore as its core markets. The Greater China's bus market and industry remains the largest in the world and the Group will also be focusing more on promoting lightweight aluminium bus body solutions for electric buses as well as strengthening relationships with chassis principals and partners in the region.

The Group plans to expand its manufacturing capacity and continue to invest in product development

The Group will continue to upgrade and improve its production capacity and efficiency. This can be achieved through building new facilities and enhancing the automation of its existing manufacturing facility. The expansion of the Group's production capacity and efficiency is essential for catering the rising demand of body solutions for electric-powered commercial vehicles (including but not limited to buses and coaches). The Group will also continuously endeavour in research and development to further improve the lightweight body solutions as well as the overall environmental friendliness of its products.

The Group will further enhance its strategic partnership with chassis principals

The Group has always been maintaining close collaborations with its chassis principals. The Group's long-standing relationship with them is a key factor behind the success of its business.

The Group will continue to co-design and jointly bid for projects with its chassis principals. In order to further enhance the Group's strategic partnership with its chassis principals, the Group intends to implement the following measures:

- develop new markets with the Group's chassis principals;
- develop new EV models with the Group's chassis principals;
- share its bus production technology and know-how in improving production efficiency; and
- leverage its market position to help the Group's chassis principals to enter new markets.



The Group will expand its market footprint in the USA, Australia and Middle East

The USA and Australia governments have been promoting the use of EV, and there was a significant increase in revenue contribution from these regions in recent years. In order to further broaden the Group's exposure, the Group is working closely with business partners from these regions to increase its market shares. The Group also believes that it is in better position to promote its products by collaborating with its business partners, especially in Australia while the Group is present in those major cities where it has been delivering its buses to since 1999. The Group will continue to working closely with its business partners through regular discussions to produce buses that meet the Federal Motor Vehicle Safety Standard for the USA market and the Australian Design Rules for the Australia market. In terms of after-sales support, the Group seeks to provide round-the-clock after-sales services to the bus transportation operators by working closely with its business partners. Furthermore, the Group is working on the expansion of its after-sales services and the size of its marketing team which will enable the Group to be more responsive to after-sales requests from its customers and to establish better relationships with its customers through gathering feedbacks on its products. For the Middle East region, the Group has been awarded a contract of 76 units of CBUs and the Group believes that it is a good sign for the Group to continue exploring more business opportunities in this region.

The Group will further diversify its product portfolio

The Group's current product portfolio mainly comprises of city bus and coach, including both electric and diesel powered. It is the Group's plan to expand its product range to cater for a broader market. As more countries are transitioning to EV, the Group will be exploring the markets and continue to design and manufacture suitable bodies that can be assembled on different EV chassis based on the demand from different regions. Through the Group's development efforts, the Group intends to develop bodies with lighter materials to further reduce the weight of the vehicle, so as to improve battery efficiency and performance. In addition, its body-kit solutions are versatile and friendly to those countries that are promoting localisation with local manufacturing activities. The Group's relentless efforts to invest in developing new products for new markets outside Asia have successfully helped the Group open doors to new markets such as the USA. The Group will continue to innovate and expand its portfolio to reach out to more new markets.

The Group will continue to identify and explore other business opportunities with an aim to diversifying its earnings base

The Group will explore suitable locations near its headquarter for expansion of its business and evaluate different business opportunities to broaden the Group's existing earnings base, enhance its profitability and offer better returns to the Shareholders. Recently, the Group has started to lease motor vehicles to customers to increase the passive income of the Group.

EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 October 2025 and up to the date of this annual report.



DIVIDENDS

The Board does not recommend the payment of any final dividend for the Year (for the year ended 31 October 2024: Nil).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company is scheduled to be held on Friday, 27 March 2026. The notice of annual general meeting will be published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.gml.com.my) and despatched to the Shareholders (if requested).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company which will be held on Friday, 27 March 2026, the register of members of the Company will be closed from Tuesday, 24 March 2026 to Friday, 27 March 2026, both days inclusive, during which no transfer of shares of the Company will be registered. The record date for determination of entitlements of the members of the Company to attend and vote at the annual general meeting will be on Friday, 27 March 2026. In order to be eligible to attend and vote at the annual general meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 23 March 2026.

FOREIGN CURRENCY RISK

The Group undertakes certain transactions denominated in foreign currencies, mainly in US dollars, Euros, Hong Kong dollars and Singapore dollars, hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely in order to keep the net exposure to an acceptable level. The Group will consider hedging significant foreign currency exposure should the need arises.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 October 2025, the aggregate sum of the Group's bank balances and cash net of bank overdrafts, and short-term pledged bank deposits amounted to approximately US\$(0.39) million, representing an increase of approximately US\$1.15 million as compared with approximately US\$(1.54) million as at 31 October 2024. The net current assets and total equity of the Group were approximately US\$7.99 million (2024: approximately US\$6.94 million) and approximately US\$15.19 million (2024: approximately US\$13.96 million), respectively. As at 31 October 2025, the Group's bank borrowings and bank overdrafts amounted to approximately US\$11.37 million (2024: approximately US\$6.67 million).

As at 31 October 2025, the Group's gearing ratio, which is computed based on dividing the total outstanding indebtedness by the total equity, was approximately 63% (2024: approximately 69%).



The Group monitors capital using, *inter alia*, a gearing ratio which is net debt divided by total equity. Net debt includes bank overdrafts, interest-bearing bank borrowings, convertible bonds and lease liabilities, less cash and bank balances. The gearing ratios as at 31 October 2025 and 2024 are as follows:

	2025 US\$'000	2024 US\$'000
Lease liabilities	158	103
Bank borrowings	9,005	4,342
Bank overdrafts	2,364	2,328
Convertible bonds	–	3,586
	11,527	10,359
Less: Cash and bank balances	1,956	659
Net debt	9,571	9,700
Total equity	15,186	13,958
Gearing ratio	63%	69%

CAPITAL STRUCTURE

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the Shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the Shareholders, return capital to the Shareholders, or sell assets to reduce debt. No changes in the objective, policies or processes for managing capital were made in the Year.

The Board reviews the capital structure on a regular basis. As part of the review, the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendation of the management, the Group will balance its overall capital structure through the payment or non-payment of dividends as well as issue of new debt or the redemption of the debt.



EMPLOYEES AND REMUNERATION POLICIES

As at 31 October 2025, the total number of full-time employees of the Group was 253 (2024: 256). The Group recruits, employs, remunerates and promotes its employees based on their qualifications, experience, skills, performance and contributions. Remuneration is offered with reference to market rates. Salary and/or promotion review is conducted upon performance appraisal by the management on a regular basis. Discretionary year-end bonus and share options, if applicable, are granted to eligible employees, taking into account the Group's performance and individual's contribution. Ample in-house orientation and on-the-job training are arranged for the employees all year round. Employees are always encouraged to attend job-related seminars, courses and programs organised by professional or educational institutions, in Malaysia, Hong Kong or other jurisdictions.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

It is the belief of the Board that good corporate governance plays a vital part in maintaining the success of the Company. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value accountability. The Company has adopted and complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**")* set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), save and except for Code Provision C.2.1 of the CG Code throughout the Year. The Board will continue to review and enhance its corporate governance practice of the Company to ensure compliance with the CG Code and align with the latest developments.

Pursuant to the Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Accordingly, the appointment of Mr. Pang Chong Yong, being the chief executive officer (the "**CEO**") and the chairman (the "**Chairman**") of the Company, deviates from the relevant code provision.

The Board believes that vesting the roles of both the Chairman and the CEO in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board also considers that this arrangement will not impair the balance of power and authority as a majority of the Board members are represented by the independent non-executive Directors, who offer different independent perspectives. In addition, the Board meets regularly to consider major matters affecting the operations of the Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information. Therefore, the Board is of the view that the balance of power and safeguards in place are adequate. The Board would review and monitor the situation on a regular basis, and it would ensure that the present structure would not impair the balance of power in the Group.

* *The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this annual report, the Company shall refer to the then effective CG Code.*



EXECUTIVE DIRECTORS

Mr. Pang Chong Yong (彭中庸) (“Mr. CY Pang”), aged 66, is the co-founder of our Group and has been the chairman of the Board (the “**Chairman**”) since 11 January 2021, the chief executive officer of the Company (the “**Chief Executive Officer**”) and the executive Director since 21 June 2016. As at the date of this report, he is also the directors of Gemilang Limited, Gemilang Asia Pacific Limited, Gemilang Coachwork Sdn. Bhd. (“**Gemilang Coachwork**”), GML Coach Technology Pte. Limited (“**GML Coach Technology**”), Gemilang Food Holdings Sdn. Bhd., Gemilang (Greater China) Limited, Gemilang (Middle East) Limited, 順鋁(上海), and 順鋁(深圳)汽車科技有限公司, which are the subsidiaries of the Company. He is primarily responsible for formulating overall corporate strategies and policies of our Group, general management and day-to-day operation of our Group. Mr. CY Pang had over 10 years of experience in the installation of cars accessories and provision of after-sales services and over 32 years in bus assembly and bus body manufacturing.

From 16 June 2020 to 8 November 2023, Mr. CY Pang was a non-executive director of Advanced Packaging Technology (M) Bhd (“**Advanced Packaging**”), being a company incorporated in Malaysia, whose shares were listed on the Main Market of Bursa Malaysia Securities Berhad. After the completion of transfer listing on the Main Market of Bursa Malaysia Securities Berhad from Advanced Packaging to Greater Bay Holdings Berhad (“**Greater Bay**”) (stock code: 9148), Mr. CY Pang had been appointed as a non-executive director of Greater Bay from 8 November 2023 to 11 November 2024 and has been re-designated as an alternative non-independent and non-executive director since 11 November 2024.

Mr. CY Pang is the father of Mr. Pang Jun Jie, being an executive Director. He is also the brother of Ms. Pang Yok Moy, being a member of senior management of the Group and the uncle of Mr. Pang Ser Hong, being a member of senior management of the Group.

Mr. Yik Wai Peng (易熹坪*) (“Mr. Yik”), aged 52, was appointed as the executive Director and chief financial officer of the Group on 1 April 2021. As at the date of this report, he is also the directors of Gemilang Limited, Gemilang Coachwork, GML Coach Technology, Gemilang (Greater China) Limited, Gemilang (Middle East) Limited, SMG Transit Sdn Bhd, and Hotoh Australia Pty Limited, which are the subsidiaries of the Company. Mr. Yik joined the Group in July 2014 as a financial controller of Gemilang Coachwork. Mr. Yik has over 20 years of experience in accounting and finance. Prior to joining the Group, Mr. Yik was an assistant audit manager at Deloitte Touche Tohmatsu Limited from July 1998 to August 2002. He was an accountant at Eastern Pewter Sdn. Bhd., a pewter manufacturing company, from September 2002 to September 2007. He served as an outsourced consultant of Gemilang Coachwork from September 2007 to June 2014.

Mr. Yik obtained a Bachelor of Accounting from the University of Malaya, Malaysia in August 1998. He was admitted as a member of the Malaysian Institute of Accountants in December 2001, the Malaysian Institute of Certified Public Accountants in June 2002 and a fellow of the Association of Chartered Certified Accountants in November 2006.

Mr. Pang Jun Jie (彭俊杰*) (“Mr. JJ Pang”), aged 32, was appointed as the executive Director on 1 April 2021. As at the date of this report, he is also the directors of Gemilang Limited, Gemilang Coachwork, GML Coach Technology, Gemilang (Greater China) Limited, Gemilang (Middle East) Limited, SMG Transit Sdn Bhd, and Hotoh Australia Pty Limited, which are the subsidiaries of the Company. Mr. JJ Pang joined the Group in February 2021 as an assistant to the managing director of Gemilang Coachwork. Prior to joining the Group, from February 2020 to February 2021, Mr. JJ Pang worked as an assistant manager in business development and a personal assistant to the managing director at Advanced Packaging, where he primarily engaged in business development activities for flexible packaging materials. Mr. JJ Pang was an alternate non-independent and non-executive director of Advanced Packaging from 15 March 2021 to 8 November 2023. After the completion of transfer listing on the Main Market of Bursa Malaysia Securities Berhad from Advanced Packaging to Greater Bay, Mr. JJ Pang had been appointed as an alternative non-independent and non-executive director of Greater Bay from 24 November 2023 to 11 November 2024 and has been re-designated as a non-independent and non-executive director since 11 November 2024.

Mr. JJ Pang obtained a bachelor’s degree in Business and Management Studies from the University of Sussex, the United Kingdom in September 2015.

Mr. JJ Pang is the son of Mr. CY Pang, being the Chairman, the Chief Executive Officer, an executive Director, and a controlling Shareholder.

* For identification purpose only



INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Huan Yean San (“Mr. Huan”), aged 49, was appointed as the independent non-executive Director on 21 October 2016. He is mainly responsible for supervising and providing independent judgment to our Board. He has over 20 years of experience in the fields of corporate taxation, auditing services and the financial management reporting affairs. He joined Foo, Lee An & Associates, a chartered accounting firm in Malaysia, as an audit assistant in 1999. At that time, he was responsible for managing audit start up works and verifying supporting documents. From 2002 to 2006, he worked at Foo, Lee An & Associates as a tax senior responsible for advising clients in payment of several taxes such as income tax and property tax. From 2006 onward, Mr. Huan has been serving as a tax manager in this firm currently responsible for managing and developing relationship with clients.

Mr. Huan graduated from University of Western Australia with a Bachelor of Commerce (Minor in Business Law) in 1999. He has also been an associate member of CPA Australia and Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia since 2003 and 2004 respectively.

Mr. Andrew Ling Yew Chung (林佑仲*) (“Mr. Ling”), aged 34, was appointed as the independent non-executive Director on 1 April 2021. He has over eight years of experience in audit and corporate finance. From March 2013 to February 2016, Mr. Ling served in the audit and assurance practice of Ernst & Young Malaysia. From September 2017 to February 2020, he was a licensed representative of Alliance Capital Partners Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. From June 2020 to May 2021, Mr. Ling was a non-independent non-executive director of Advanced Packaging. Since June 2021 following his redesignation, he has served as an executive director of Advanced Packaging. After the completion of transfer listing on the Main Market of Bursa Malaysia Securities Berhad from Advanced Packaging to Greater Bay, Mr. Ling has also been appointed as an executive director of Greater Bay since 11 November 2023.

Mr. Ling obtained a Bachelor of Commerce in Accounting and Finance from the University of Melbourne, Australia in December 2012 and was admitted as a full member of CPA Australia in November 2016.

Ms. Kwok Yuen Lam Sophia (郭婉琳) (“Ms. Kwok”), aged 45, was appointed as the independent non-executive Director on 21 June 2024. Ms. Kwok has over 19 years of experience in the legal field. She is currently a solicitor at Jesse H.Y. Kwok & Co., Solicitors & Notaries and a Greater Bay Area qualified lawyer at 廣東廣信君達(白雲)律師事務所 (for transliteration purpose only, Guangdong Guangxin Junda (Baiyun) Law Firm[#]). From May 2012 to January 2014, Ms. Kwok was also an independent non-executive director of China Financial Leasing Group Limited, the shares of which are listed on Main Board of the Stock Exchange (stock code: 2312). Ms. Kwok was also appointed as an independent non-executive director of UBA Investments Limited, the shares of which are listed on Main Board of the Stock Exchange (stock code: 768) since 12 July 2024.

Ms. Kwok obtained the degree of Master of Laws in Information Technology and Intellectual Property Law from The University of Hong Kong in 2009, the Postgraduate Certificate in Laws from City University of Hong Kong in 2007, a Juris Doctor from City University of Hong Kong in 2006 and the degree of Bachelor of Fine Arts (Graphic Design) from California College of the Arts in the United States in 2004. Ms. Kwok was admitted as a solicitor of the High Court of Hong Kong, a member of the Law Society of Hong Kong.

* For identification purpose only



The directors of the Company (the “**Directors**”) are pleased to present this annual report and the audited consolidated financial statements of the Group for the financial year ended 31 October 2025 (the “**Year**”).

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 14 to the financial statements. There were no significant changes in the nature of the Group’s principal activities during the Year.

Pursuant to Schedule 5 to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the “**Companies Ordinance**”), Contents of Directors’ Report: Business Review, a directors’ report must contain a business review of the Group including:

- (a) a fair review of the business;
- (b) a discussion of the principal risks and uncertainties facing the Group;
- (c) particulars of important events affecting the Group that have occurred since the end of the financial year; and
- (d) an indication of likely future development in the Group’s business;

and the business review must also include:

- (a) an analysis using financial key performance indicators;
- (b) a discussion on the Group’s environmental policies and performance; and the Group’s compliance with the relevant laws and regulations that have a significant impact on the Group; and
- (c) an account of the Group’s key relationships with its employees, customers and suppliers and others that have a significant impact on the Group and on which the Group’s success depends.

Part of further discussion and analysis as required by Schedule 5 to the Companies Ordinance are set out in the “Chairman’s Statement”, “Management Discussion and Analysis”, “Corporate Governance Report” and “Notes to the Consolidated Financial Statements” sections of this annual report. The above sections form part of the Directors’ Report. In addition, details of the Group’s financial risk management are disclosed in note 31 to the financial statements.

RESULTS AND DIVIDENDS

The Group’s loss for the Year and the Group’s financial position at 31 October 2025 are set out in the financial statements on pages 116 to 118.

The Board does not recommend the payment of any final dividend for the Year.



SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

DIVIDEND POLICY

The Company has adopted a dividend policy (“**Dividend Policy**”), pursuant to which the Company may declare and distribute dividends to the Shareholders to allow Shareholders to share the Company’s profits and for the Company to retain adequate reserves for future growth.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. In proposing any dividend payout, the Board shall also take into account, *inter alia*, the Group’s financial results, the general financial condition of the Group, the Group’s current and future operations, the level of the Group’s debts to equity ratio, return on equity and the relevant financial covenants, liquidity position and capital requirement of the Group, surplus received from the Company’s subsidiaries and any other factors that the Board deems appropriate. The Company’s ability to pay dividends is also subject to the requirements of the Listing Rules and all relevant applicable laws, rules and regulations in the Cayman Islands, Hong Kong and the memorandum and articles of association of the Company.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

SHARE CAPITAL

Details of movements in the Company’s share capital during the Year are set out in note 30(b) to the financial statements.



SHARE OPTION SCHEME

The Company conditionally adopted the share option scheme (the “**Share Option Scheme**”) prepared in accordance with Chapter 17 of the Listing Rules on 21 October 2016 for the primary purpose of providing incentives or rewards to eligible participants as defined in the Share Option Scheme to recognise and acknowledge their contribution to the Group and motivate them to higher levels of performance.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Company to grant options to the employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board (the “**Eligible Participants**”), has contributed or may contribute to the Group as incentive or reward for their contribution to the Group to subscribe for the shares of the Company (the “**Shares**”) thereby linking their interest with that of the Group.

(b) Grant and acceptance of options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years after the adoption date of the Share Option Scheme to make an offer to any Eligible Participants as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine. An offer shall be made to an Eligible Participant in writing in such form as the Directors may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of 21 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date of the Share Option Scheme or the termination of the same. As at the date of this annual report, the Share Option Scheme has remaining life of approximately one year.

An offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within 21 days from the date of offer or within such time as may be determined by the Board.

Any offer may be accepted by an Eligible Participant in respect of less than the total number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

(c) Subscription price of Shares

The subscription price for Shares under the Share Option Scheme shall be determined at the discretion of the Directors but in any event will not be less than the highest of (a) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.



(d) Maximum number of Shares

- (i) Subject to (ii) below, the maximum number of Shares in respect of which options may be granted at any time under the Share Option Scheme together with options which may be granted under any other share option schemes for the time being of the Company shall not in aggregate exceed such number of Shares as equals 10 per cent of the issued share capital of the Company at 11 November 2016 (the “**Listing Date**”) (the “**Scheme Mandate Limit**”) unless Shareholders’ approval has been obtained pursuant to the sub-paragraph immediately below. On the basis of a total of 250,000,000 Shares in issue as at the Listing Date, the relevant limit would be 25,000,000 Shares which represent 10% of the issued Shares at the Listing Date.

As at the beginning of the Year (i.e. 1 November 2024), the number of share options available for grant pursuant to the Scheme Mandate Limit under the Share Option Scheme, was 4,646,000 Shares, representing approximately 1.7% of the issued Shares as at the date of this annual report.

As at the end of the Year (i.e. 31 October 2025), the number of share options available for grant pursuant to the Scheme Mandate Limit under the Share Option Scheme was 4,756,000 Shares, representing approximately 1.7% of the issued Shares as at the date of this annual report. The increase in the number of share options available for grant under the Scheme Mandate Limit as at the end of the Year is due to the lapse of 110,000 Share Options as a result of the resignation of employees during the Year.

As at the date of this annual report, the total number of securities available for issue under the Share Option Scheme was 4,756,000 Shares which represent approximately 1.7% of the issued Shares as at the date of this annual report.

The Company may seek approval by its Shareholders in general meeting to refresh the Scheme Mandate Limit provided that the total number of Shares available for issue upon exercise of all options which may be granted under the Share Option Scheme and any other schemes of the Group must not exceed 10 per cent of the issued share capital of the Company at the date of approval of refreshing of the Scheme Mandate Limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Group (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. The Company shall send a circular to the Shareholders containing the information required under the Listing Rules.

The Company may authorise the Directors to grant options to specified Eligible Participants beyond the Scheme Mandate Limit if the grant of such options is specifically approved by the Shareholders in general meeting. In such case, the Company must send a circular to the Shareholders in connection with the general meeting at which their approval will be sought containing a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the option to be granted, the purpose of granting options to the specified Participants with an explanation as to how the terms of the options serve such purpose, the information and the disclaimer required under the Listing Rules and such further information as may be required by the Stock Exchange from time to time.



- (ii) The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group must not exceed 30 per cent of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Group if this will result in the limit being exceeded.
- (iii) Unless approved by the Shareholders in the manner set out below, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1 per cent of the Shares in issue. Where any further grant of options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to its Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant), and such information as may be required under the Listing Rules from time to time. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.
- (iv) The exercise of any option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Directors shall make available sufficient of the then authorised but unissued share capital of the Company to allot the Shares on the exercise of any option.

(e) Exercise of options

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant.

Subject to the terms of the Share Option Scheme, an option shall be exercisable in whole or in part in the circumstances by giving notice in writing to the Company stating that the option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price for Shares in respect of which the notice is given. After receipt of the notice and the remittance and, where appropriate, receipt of the auditors' certificate, the Company shall within 30 days of the date upon which an option is effectively exercised (being the date of such receipt by the secretary of the Company) allot the relevant Shares to the grantee (or his personal representative(s)) credited as fully paid and instruct the relevant share registrar to issue to the grantee (or his personal representative(s)) a share certificate in respect of the Shares so allotted.



Though there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, the Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as the Directors may determine in their absolute discretion.

On 18 August 2023 (the “**Grant Date**”), the Company granted a total of 19,700,000 share options (the “**Share Options**”) under the Share Option Scheme to entitle the holder(s) thereof to subscribe for a total of 19,700,000 Shares. The details of such grant of the Share Options are set out as follows:

Exercise price of Share Options granted: HK\$0.440 per Share, which is the highest of (i) the closing price of HK\$0.420 per Share as stated in the Stock Exchange’s daily quotation sheet on the Grant Date; (ii) the average closing price of HK\$0.440 per Share as stated in the Stock Exchange’s daily quotation sheets for the five (5) business days immediately preceding the Grant Date; and (iii) the nominal value of a Share on the Grant Date.

Validity period of the Share Options: Subject to the terms of the Share Option Scheme, the Share Options shall be exercisable in whole or in part within three (3) years commencing from the Grant Date.



Among the 19,700,000 Share Options granted, 8,100,000 Share Options were granted to the then Directors, chief executive of the Company or substantial Shareholders as at the Grant Date, and their respective associate(s) (as defined in the Listing Rules), details of which are as follows:

Name of Grantee	Capacity	Number of Share Options granted
Directors		
Mr. Pang Chong Yong ("Mr. CY Pang")	Chairman, Executive Director, Chief Executive Officer and substantial Shareholder	2,500,000
Mr. Pang Jun Jie ("Mr. JJ Pang")	Executive Director, son of Mr. CY Pang	1,500,000
Mr. Yik Wai Peng	Executive Director, Chief Financial Officer	1,500,000
Ms. Lee Kit Ying <i>(Note 1)</i>	Independent non-executive Director	250,000
Mr. Huan Yean San	Independent non-executive Director	250,000
Mr. Andrew Ling Yew Chung	Independent non-executive Director	250,000
		6,250,000
Employees		
Mr. Pang Jun Kang	Employee of the Group, son of Mr. CY Pang, brother of Mr. JJ Pang	150,000
Ms. Pang Yok Moy	Employee of the Group, sister of Mr. CY Pang	100,000
		250,000
Service providers		
Mr. Pang Siew Siam	Service provider who provides bus body parts and component installation services to the Group, brother of Mr. CY Pang	800,000
Mr. Pang Siew Way	Service provider who provides bus body parts and component installation services to the Group, brother of Mr. CY Pang	800,000
		1,600,000
		8,100,000

Notes:

- (1) Ms. Lee Kit Ying retired by rotation from the office of independent non-executive Director after the conclusion of the annual general meeting of the Company held on 22 March 2024 and 250,000 Share Options granted to Ms. Lee Kit Ying had been lapsed accordingly.
- (2) Apart from the Share Options granted to Ms. Lee Kit Ying mentioned in note (1), the Share Options granted to the then Directors, chief executive of the Company or substantial Shareholders as at the Grant Date, and their respective associate(s) (as defined in the Listing Rules) were outstanding and exercisable as at 31 October 2025.



Pursuant to Rule 17.04(1) of the Listing Rules, the grant of Share Options to each of the above grantees has been approved by the independent non-executive Directors (excluding the independent non-executive Director who is the Grantee). Save as disclosed above, none of the grantees is a director, chief executive or substantial shareholder of the Company, or any of their respective associate(s) (as defined in the Listing Rules). The balance of 11,600,000 Share Options were granted to the employees of the Group located in Hong Kong and Malaysia.

Pursuant to Rule 17.04(3) of the Listing Rules, if the grant of Share Options to an independent non-executive Director or a substantial Shareholder or any of their respective associates would result in the Shares in issue and to be issued in respect of all Share Options granted (excluding any Share Options lapsed in accordance with the terms of the Share Option Scheme) to such person during the 12-month period up to and including the date of grant representing in aggregate over 0.1% of the relevant class of Shares in issue, such proposed grant of Share Options must be approved by the Shareholders in a general meeting in the manner described in Rule 17.04(4) of the Listing Rules. As the total number of Shares issued and to be issued upon the exercise of the Share Options granted to Mr. CY Pang, being the chairman of the Board, an executive Director, Chief Executive Officer and substantial Shareholder, would, in a 12-month period up to and including the Grant Date, represent over 0.1% of the Shares in issue, the grant of the Share Options to Mr. CY Pang is therefore subject to the approval by the Shareholders at an extraordinary general meeting convened by the Company (the “**EGM**”). The Shareholders had approved the grant of the Share Options to Mr. CY Pang at the EGM held on 13 October 2023 and Mr. CY Pang, his associates and all core connected persons (as defined under the Listing Rules) of the Company had abstained from voting in favour of the relevant resolution at the EGM pursuant to the Listing Rules.

The fair values of the Share Options granted under the Share Option Scheme were determined and measured using the Binomial Option Pricing Model on 18 August 2023. The significant inputs into the models were the exercise price shown above, expected volatility of 62.93%, expected dividend yields of 1.59%, expected option life of 3 years and risk free interest rates of 4.01% (with reference to the yield rates prevailing on Hong Kong Exchange Fund Notes with duration similar to the expected option life). As any changes in the subjective input assumptions can materially affect the fair value estimates, the valuation models for the Share Options granted do not necessarily provide a reliable single measure of the fair value of the Share Options. The related accounting policy for the fair value of the Share Options granted is disclosed at note 2(s) to the financial statements.

The variables and assumptions used in computing the fair value of the Share Options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

A total of 19,700,000 Share Options were granted on 18 August 2023 under the Share Option Scheme. During the Year, 110,000 Share Options lapsed due to resignation of employees (2024: 330,000) and as at 31 October 2025, 18,880,000 (2024: 18,990,000) Share Options were outstanding and exercisable.

The number of Shares that may be issued in respect of the Share Options divided by the weighted average number of Shares in issue for the Year is approximately 7.05% (2024: 7.55%).



Save as disclosed above, no Share Option was granted, exercised, cancelled or lapsed under the Share Option Scheme during the Year. The table showing movements in the Company's share options held by the Directors and the employees of the Company in aggregate granted under the Share Option Scheme during the Year is disclosed at note 28 to the financial statements.

For details of the Share Option Scheme, please refer to the section headed "Statutory and General Information – E. Share Option Scheme" in Appendix VI to the Prospectus.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's memorandum and articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

DISTRIBUTABLE RESERVES

As at 31 October 2025, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law of the Cayman Islands, amounted to approximately US\$12,826,000.

CHARITABLE CONTRIBUTIONS

During the Year, the Group had made approximately US\$11,000 charitable and/or other donations.

MAJOR CUSTOMERS AND SUPPLIERS

The revenue attributable to the five largest customers of the Group accounted for approximately 62% of the Group's total revenue for the Year and revenue from the largest customer included therein amounted to approximately 25%.

Purchases from the Group's five largest suppliers accounted for approximately 55% of the Group's total purchases for the Year and purchases from the largest supplier included therein amounted to approximately 20%.

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's number of issued shares) had any beneficial interest in the Group's five largest customers or suppliers.



DIRECTORS

The Directors of the Company during the Year and up to the date of this report were:

Executive Directors

Mr. CY Pang (*Chairman and Chief Executive Officer*)

Mr. Yik Wai Peng (*Chief Financial Officer*)

Mr. JJ Pang

Independent non-executive Directors

Mr. Huan Yean San

Mr. Andrew Ling Yew Chung

Ms. Kwok Yuen Lam Sophia

Pursuant to Article 84(1) of the Company's articles of association, Mr. CY Pang and Mr. Huan Yean San shall retire by rotation at the forthcoming annual general meeting (the "**2026 AGM**"). Mr. CY Pang and Mr. Huan Yean San are eligible and will offer themselves for re-election as Directors at the 2026 AGM.

As such, at the 2026 AGM, an ordinary resolution will be proposed to re-elect Mr. CY Pang as an executive Director and Mr. Huan Yean San as an independent non-executive Director.

According to Code Provision B.2.3 of the CG Code, further appointment of an independent non-executive director who serves more than nine years should be subject to a separate resolution to be approved by shareholders.

Mr. Huan Yean San, who is an independent non-executive Director and has served the Board for more than nine years, will retire by rotation and offer himself for re-election at 2026 AGM. The re-election of Mr. Huan Yean San as an independent non-executive Director will be considered by a vote on separate resolution at the 2026 AGM.

The Company's circular dated 24 February 2026 contains detailed information of the Directors standing for re-election.

The independent non-executive Directors are required to confirm their independence upon their appointment on an annual basis. The Company has received from each of Mr. Huan Yean San, Mr. Andrew Ling Yew Chung and Ms. Kwok Yuen Lam Sophia, an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules for the Year. The Company continues to consider all the existing independent non-executive Directors to be independent for the Year and up to the date of this annual report.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management of the Company are set out on pages 20 to 21 of this annual report.



DIRECTORS' SERVICE CONTRACTS

The Directors have entered into service agreements or letters of appointment with the Company for a term of three years and to continue thereafter until terminated by a three months' notice in writing served by either party on the other, the details are as follows:

Name of Directors	Date of Commencement
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Mr. CY Pang	11 November 2025
Mr. Yik Wai Peng	1 April 2024
Mr. JJ Pang	1 April 2024
Mr. Huan Yean San	11 November 2025
Mr. Andrew Ling Yew Chung	1 April 2024
Ms. Kwok Yuen Lam Sophia	21 June 2024

Each of the Directors shall also be entitled to a bonus for each financial year of the Company which is at the discretion of the Board and determined by reference to performance of each Director concerned and the Group's performance for the financial year concerned and based on the recommendation from the remuneration committee of the Company.

Save as disclosed above, none of the Directors being proposed for re-election at the 2026 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to Shareholders' approval at general meetings. Their emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

Details of the remuneration of the Directors for the Year are set out in note 8 to the financial statements.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Year. The Company has taken out and maintained directors' liability insurance that provides appropriate cover for the Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Saved as disclosed in this annual report, no Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding companies of the Company, or any of the Company's subsidiaries was a party during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 October 2025, none of the Directors are considered to be interested in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 October 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (“SFO”)), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Part XV of the SFO Model Code, as set out in Appendix C3 to the Listing Rules, were as follows:

Long positions in the ordinary Shares

Name of Directors	Capacity/ Nature of interests	Total number of Shares and underlying Shares held ⁽¹⁾	Approximate percentage of issued Shares ⁽⁹⁾
Mr. CY Pang	Interest in a controlled corporation ⁽²⁾ Beneficial interest ⁽³⁾	82,078,125 (L) 14,970,000 (L)	29.70% 5.41%
Mr. JJ Pang	Beneficial Interest ⁽⁴⁾	1,500,000 (L)	0.54%
Mr. Yik Wai Peng	Beneficial interest ⁽⁵⁾ Interest of spouse ⁽⁶⁾	1,758,000 (L) 140,000 (L)	0.64% 0.05%
Mr. Huan Yean San	Beneficial Interest ⁽⁷⁾	250,000 (L)	0.09%
Mr. Andrew Ling Yew Chung	Beneficial interest ⁽⁸⁾	310,000 (L)	0.11%

Notes:

- (1) The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such Shares.
- (2) Mr. CY Pang beneficially owns 100% of the share capital of Golden Castle Investments Limited (“Golden Castle”). By virtue of the SFO, Mr. CY Pang is deemed to be interested in 82,078,125 Shares held by Golden Castle representing approximately 29.70% of the entire issued share capital of the Company.
- (3) Including 2,500,000 Share Options which are exercisable by Mr. CY Pang.
- (4) Including 1,500,000 Share Options which are exercisable by Mr. JJ Pang.
- (5) Including 1,500,000 Share Options which are exercisable by Mr. Yik Wai Peng.
- (6) By virtue of the SFO, Mr. Yik Wai Peng is deemed to be interested in 140,000 Shares, being the interest beneficially held by his wife, Ms. Tan Siow Yang.
- (7) Including 250,000 Share Options which are exercisable by Mr. Huan Yean San.
- (8) Including 250,000 Share Options which are exercisable by Mr. Andrew Ling Yew Chung.
- (9) The percentage(s) were disclosed pursuant to the relevant disclosure form(s) filed under the SFO and represented the number of shares over the total issued share capital of the Company as at 31 October 2025 of 276,364,000 Shares.



Save as disclosed above, as at 31 October 2025, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which was required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed herein, at no time during the Year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding companies, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

To the best knowledge of the Directors, as at 31 October 2025, the following persons or corporations (other than the Directors and the chief executive of the Company as disclosed in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY"), who had interests and/or short positions in the Shares or underlying Shares which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in the ordinary Shares

Name of Shareholders	Capacity/ Nature of interests	Total number of Shares and underlying Shares held ⁽¹⁾	Approximate percentage of issued Shares ⁽⁵⁾
Golden Castle	Beneficial owner ⁽²⁾	82,078,125 (L)	29.70%
Gold-Face Finance Limited ("Gold-Face")	Person having a security interest in Shares ⁽³⁾	82,078,125 (L)	29.70%
Upbest Group Limited	Interest of controlled corporation ⁽³⁾	82,078,125 (L)	29.70%
Ms. Low Poh Teng	Interest of spouse ⁽⁴⁾	97,048,125 (L)	35.11%



Notes:

- (1) The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such Shares.
- (2) 82,078,125 Shares held by Golden Castle, which is wholly-owned by Mr. CY Pang, have been charged in favour of Gold-Face as security for a loan granted in favour of Mr. CY Pang, the Chief Executive Officer, executive Director and controlling Shareholder.
- (3) As Gold-Face is wholly-owned by Upbest Credit and Mortgage Limited, which in turn is wholly-owned by Upbest Strategic Company Limited and Good Foundation Company Limited in equal parts, which in turn are both wholly-owned by Upbest Financial Holdings Limited, which in turn is wholly-owned by Upbest Group Limited. As such, Upbest Credit and Mortgage Limited, Upbest Strategic Company Limited, Good Foundation Company Limited, Upbest Financial Holdings Limited and Upbest Group Limited are all deemed to be interested in the security interest in the 82,078,125 Shares charged in favour of Gold-Face by virtue of the SFO.
- (4) Ms. Low Poh Teng is the spouse of Mr. CY Pang. Therefore, Ms. Low Poh Teng is deemed to be interested in all the Shares in which Mr. CY Pang is interested under Part XV of the SFO.
- (5) The percentage(s) were disclosed pursuant to the relevant disclosure form(s) filed under the SFO and represented the number of Shares over the total issued share capital of the Company as at 31 October 2025 of 276,364,000 Shares.

Save as disclosed above, as at 31 October 2025, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed “DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY” above, had registered an interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to section 336 of the SFO.

CONNECTED TRANSACTION

On 27 October 2022, Gemilang Limited (the “**Purchaser**”), a direct wholly-owned subsidiary of the Company, and Mr. CY Pang (who is the chairman, the Chief Executive Officer, the executive Director and a controlling Shareholder) and Mr. Pang Jun Kang (“**Mr. JK Pang**”, collectively referred as the “**Vendors**” hereinafter) (who is the son of Mr. CY Pang and the brother of Mr. JJ Pang, an executive Director), entered into a conditional share sale agreement (the “**Conditional Share Sale Agreement**”), pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire issued share capital of GML Premier Sdn. Bhd. (the “**Target Company**”) and the advances owing to the Vendors by the Target Company (the “**Acquisition**”), for an aggregate consideration of RM2,591,244 (equivalent to approximately US\$550,000[#]). RM1,554,746 (equivalent to approximately US\$330,000[#]), being the deposit and part payment towards account of the consideration, had been paid by the Purchaser to the Vendors upon the execution of the Conditional Share Sale Agreement.

The Target Company is principally engaged in investment in real property and in turn the registered and beneficial proprietor of the freehold agriculture land held under HS(M) 4267 PTD 43224 (now known as HS(M) 2761 PTD 43224) in Mukim of Senai, District of Kulai, State of Johor containing an area of approximately 0.4755 hectares (equivalent to approximately 51,182 square feet) (the “**Property**”). As at the date of this report, the Property is for agricultural use.

[#] Exchange rate applied at the date of the Conditional Share Sale Agreement: RM1.00 = US\$0.2122



The Acquisition is subject to and conditional upon the following:

- (a) the Vendors procuring the Target Company to apply for and obtain the approval from the relevant authorities in Malaysia on the change of the category of land use of the Property from “Agriculture” to either “Building (Commercial)” or “Industry” with such express conditions as may be determined by the Purchaser or such endorsement to the similar effect (the “**Conversion Approval**”);
- (b) thereafter, the Purchaser applying for and obtaining the approval from the Johor State Authority approving the transfer of the sale shares by the Vendors in favour of the Purchaser or obtaining the written confirmation therefrom that such application is not necessary in the transaction contemplated under the Conditional Share Sale Agreement (the “**State Approval**”); and
- (c) all necessary consents, licences and approvals required to be obtained on the part of the Company (if applicable) in respect of the Conditional Share Sale Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect.

The period for obtaining the Conversion Approval and the State Approval is 12 months from the date of the Conditional Share Sale Agreement. As additional time is required for the parties to obtain the Conversion Approval and the State Approval under the Conditional Share Sale Agreement, on 19 October 2023, 19 April 2024, 16 October 2024 and 17 July 2025, the Vendors and the Purchaser have mutually agreed to extend the Conditional Period for a further period of six (6) months to 26 April 2024 and 26 October 2024, and nine (9) months to 26 July 2025 and 26 April 2026 respectively.

As at the date of this report, save for the passing of the resolutions of the Board to approve the Conditional Share Sale Agreement, none of the above conditions precedent has been fulfilled.

As at the date of the Conditional Share Sale Agreement, the shares of the Target Company were owned as to 50% by Mr. CY Pang, who is the chairman, the Chief Executive Officer, the executive Director and a controlling Shareholder, and 50% by Mr. JK Pang, who is the son of Mr. CY Pang and the brother of Mr. JJ Pang, an executive Director. Accordingly, the transaction contemplated under the Conditional Share Sale Agreement constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. Mr. CY Pang, who has material interests in the Acquisition, and Mr. JJ Pang, who is the son of Mr. CY Pang, had abstained from voting on the relevant issues at the Board meeting for approving the Conditional Share Sale Agreement.

For further details of the Acquisition and the Conditional Share Sale Agreement, please refer to the announcements of the Company dated 27 October 2022, 19 October 2023, 19 April 2024, 16 October 2024 and 17 July 2025.

Save as disclosed above, the Company had no other connected transactions conducted during the Year and year ended 31 October 2024.

RELATED PARTY TRANSACTIONS

Related party transactions of the Group during the Year are disclosed in note 33 to the financial statements. They did not constitute connected transactions or continuing connected transactions, which are required to comply with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.



DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as otherwise disclosed in this annual report, no transaction, arrangement or contract of significance to which the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, either directly or indirectly, subsisted during or at the end of the Year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year and up to the date of this annual report.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, at no time during the Year had the Company or any of its subsidiaries entered into any contract of significance with the controlling Shareholder or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the controlling Shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

DEED OF NON-COMPETITION UNDERTAKING

Pursuant to the concert party deed dated 20 July 2016 (the “**Deed**”) and executed by Mr. Phang Sun Wah and Mr. CY Pang, Mr. Phang Sun Wah and Mr. CY Pang were parties acting in concert (having the meaning ascribed to it under the Hong Kong Code on Takeovers and Mergers). As such, Mr. Phang Sun Wah and Mr. CY Pang were deemed to be interested in the interests of each other and were the controller Shareholders. On 8 June 2022, Mr. Phang Sun Wah and Mr. CY Pang entered into a termination deed to terminate the Deed. As such, Mr. Phang Sun Wah and Mr. CY Pang are no longer deemed to be interested in the interests of each other and Mr. Phang Sun Wah also ceased to be a controlling Shareholder with effect from 8 June 2022. Pursuant to the terms and conditions of the deed of non-competition dated 21 October 2016 (the “**Non-Competition Deed**”), Mr. Phang Sun Wah shall no longer be bound by the covenants and undertakings under the Non-Competition Deed on the date upon which he ceased to be a controlling Shareholder (i.e. 8 June 2022). Each of the existing controlling Shareholders, being Mr. CY Pang and Golden Castle (collectively, the “**Existing Controlling Shareholders**”), has confirmed to the Company of his/its compliance with the non-competition undertakings provided to the Company under the Non-Competition Deed during the Year. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Non-Competition Deed have been complied with by the Existing Controlling Shareholders and duly enforced during the Year.

For details of the Non-Competition Deed, please refer to the section headed “Relationship with the Controlling Shareholders – Deed of Non-Competition” in the Prospectus. The Company has received confirmations from the Existing Controlling Shareholders confirming their compliance with the Non-Competition Deed for disclosure in this annual report for the period from the Listing Date to the date of this report. The independent non-executive Directors have also reviewed the compliance and enforcement status of the Non-Competition Deed, and are of the view that the Existing Controlling Shareholders have abided by the undertakings contained in the Non-Competition Deed for the period from 11 November 2016 to the date of this report.



ENVIRONMENTAL POLICIES AND PERFORMANCE

Being one of the prominent bus manufacturing solution providers in Asia, the Group understands the necessity to take a step forward to be a leader in combating the growing environmental challenges and even showcase a constructive move to the Group's environment and society. The Group is dedicated to enhance the Group's environmental stewardship by minimising environmental footprints arising from the Group's operations. The Group formulates environmental policies and supporting procedures for promoting responsible use of resources. During the Year, the Group was not aware of any material non-compliance with the applicable environmental laws and regulations that have a significant impact on the Group.

For more details, please refer to the "Environmental, Social and Governance Report" section in this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group has adopted internal control measures to monitor the continuous compliance with relevant laws and regulations such as the Companies Act of the Cayman Islands, the Companies Ordinance, the SFO, the Listing Rules and other rules and regulations implemented in relevant jurisdictions. During the Year, as far as the Board is concerned, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. The Group has complied with the requirements of the Environmental Quality (Scheduled Wastes) Regulations 2005, which generally regulates the generation and disposal of wastes prescribed thereby, and the air emission from our factory are within the standard limits imposed by the Environmental Quality (Clean Air) Regulation 1978.

The Group continues to commit to comply with the relevant laws and regulations.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS AND OTHER STAKEHOLDERS

The Group has maintained long-term relationships with its employees, customers and suppliers:

Employees: Employees are the key of the Group's business success. Their safety is the Group's top priority. Safety and health considerations are never compromised with regular safety assessments and workplace hazard identification. Various staff development and environmental training programmes are provided for the Group's employees to encourage environmental protection behaviours and raise their awareness on sustainable development. To promote green office, the Group has also established internal environmental policy to foster harmonic and environmentally friendly workplace.

Customers: For product quality monitoring, the Group established quality management system and internal safety council to stringently examine the Group's product quality and provide guidance on further enhancement. The Group always welcomes and learns modestly from the Group's customers' opinions and complaints so that we can constantly exceed their expectation.

Suppliers: The Group puts immense effort in engaging suppliers. The Group has established a comprehensive assessment to select qualified suppliers. Their performance is also under regular audit to ensure their proper implementation of quality management system.

For more details, please refer to the "Environmental, Social and Governance Report" section in this annual report.



AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with specific terms of reference in compliance with Rule 3.21 of the Listing Rules. The Audit Committee consisted of three independent non-executive Directors, namely Mr. Huan Yean San, Mr. Andrew Ling Yew Chung and Ms. Kwok Yuen Lam Sophia. Mr. Huan Yean San was elected as the chairman of the Audit Committee.

During the Year, the Audit Committee met four times with the management and the external auditors to review and consider, among other things, the accounting principles and practices adopted by the Group, the financial report matters (including the review of the audited consolidated financial statements for the year ended 31 October 2024 and the unaudited consolidated interim results for the six months ended 30 April 2025), the statutory compliance, internal controls, risk management, change of auditors, and the adequacy of resources, qualifications and experience of staff of the Company’s accounting and financial reporting function as well as their training programmes and budget. The consolidated financial statements for the Year have also been reviewed by the Audit Committee with the management and independent auditors of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08 of the Listing Rules requires issuers to maintain at least 25% of their total number of issued shares to be held by the public at all times. Based on information that is publicly available to the Company and within knowledge of Directors, as at the latest practicable date prior to the issue of this annual report, more than 25% of the issued Shares were held by the public.

AUDITORS

The consolidated financial statements of the Group for the Year have been audited by SHINEWING (HK) CPA Limited (“**SHINEWING**”), who retire and, being eligible, offer themselves for re-appointment.

Crowe HK (CPA) Limited (“**Crowe**”) has resigned as the auditors of the Company with effect from 31 July 2025 as the Company and Crowe could not reach a consensus on the audit fee for the Year. The Board, with the recommendation of the Audit Committee, resolved to appoint SHINEWING as the auditors of the Company with effect from 5 August 2025 to fill the casual vacancy following the resignation of Crowe and to hold office until the conclusion of the next annual general meeting of the Company. For details of the change in auditors, please refer to the announcements of the Company dated 31 July 2025 and 5 August 2025.

A resolution for the re-appointment of SHINEWING as the auditors of the Company will be proposed at the 2026 AGM.

On behalf of the Board

Pang Chong Yong
Chairman

23 January 2026



CORPORATE GOVERNANCE CULTURE AND STRATEGY

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

Preserving the highest levels of corporate governance and business ethics is one of the Group's major objectives. The Group trusts that conducting business in an ethical and reliable way will maximise its long term interests and those of its stakeholders. The principles of corporate governance adopted by the Company emphasise a quality board, sound internal controls and accountability to shareholders and these are based upon a long-established ethical corporate culture.

The Company has complied with the applicable code provisions of the CG Code* as set out in Appendix C1 to the Listing Rules, save and except for Code Provision C.2.1 of the CG Code throughout the Year.

During the Year, the positions of the Chairman and Chief Executive Officer were held by Mr. Pang Chong Yong. His respective responsibilities are clearly defined and set out in writing.

Pursuant to Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Accordingly, the appointment of Mr. Pang Chong Yong, being the Chief Executive Officer and the Chairman, deviates from the relevant code provision.

* *The amendments to the CG Code effective on 1 July 2025 (the "New CG Code") will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this annual report, the Company shall refer to the then effective CG Code.*



The Board believes that resting the roles of both the Chairman and the Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board also considers that this arrangement will not impair the balance of power and authority as a majority of the Board members are represented by the independent non-executive Directors, who offer different independent perspectives. In addition, the Board meets regularly to consider major matters affecting the operations of the Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information. Therefore, the Board is of the view that the balance of power and safeguards in place are adequate. The Board would review and monitor the situation on a regular basis, and it would ensure that the present structure would not impair the balance of power in the Group.

The Company will continue to review the current corporate governance structure from time to time and shall make necessary changes when appropriate and report to Shareholders accordingly.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules on terms no less exacting than the required standard set out in the Model Code as its code of conduct regarding securities transactions by Directors.

Having made specific enquiry of all Directors, they confirmed that they had complied with the required standard set out in the Model Code regarding securities transactions by Directors throughout the Year.

The Company has also established written guidelines no less exacting than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by employees who are likely to be in possession of inside information of the Company.

No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company during the Year.

THE BOARD OF DIRECTORS

The overall management of the Group’s business is vested in the Board. Key responsibilities of the Board include the formulation of the Group’s overall strategies and policies, the setting of performance targets, the evaluation of business performance and the oversight of management.

As at 31 October 2025, the Board currently comprised 6 Directors, including 3 executive Directors and 3 independent non-executive Directors. The composition of the Board comprises the following Directors:

Executive Directors

Mr. Pang Chong Yong (*Chairman and Chief Executive Officer*)

Mr. Yik Wai Peng (*Chief Financial Officer*)

Mr. Pang Jun Jie



Independent non-executive Directors

Mr. Huan Yean San
Mr. Andrew Ling Yew Chung
Ms. Kwok Yuen Lam Sophia

In accordance with the Company's articles of association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election.

Independent non-executive Directors are appointed for a term of three years. For a Director to be considered independent, the Board must determine the Director does not have any direct or indirect material relationship with the Group. In determining the independence of the Directors, the Board follows the requirements set out in the Listing Rules.

Biographical details and the relationships among the members of the Board are disclosed under "Biographical Details of Directors and Senior Management" on pages 20 to 21 of this annual report.

Chairman and Chief Executive Officer

The Chairman is responsible for providing leadership to, and overseeing the functioning of the Board to ensure that the Board acts in the best interests of the Group and Board meetings are planned and conducted effectively. The Chairman is primarily responsible for approving the agenda for each Board meeting, taking into account, where appropriate, matters proposed by other Directors for inclusion in the agenda. With the support of the company secretary of the Company (the "**Company Secretary**") and other senior management, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. The Chairman also actively encourages Directors to fully engage in the Board's affairs and make contribution to the Board's functions.

The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. The Chief Executive Officer is in charge of the Company's day-to-day management and operations, and is also responsible for developing strategic plans and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval.

Independent Non-Executive Directors

In compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, the Company has appointed at least three independent non-executive Directors, representing more than one-third of the Board. At least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.



As disclosed in the section headed “Biographical Details of Directors and Senior Management” in this annual report, Mr. Andrew Ling Yew Chung holds cross-directorship with Mr. Pang Chong Yong and Mr. Pang Jun Jie since they serve on the boards of the Company and Greater Bay. However, the Company considers that such cross directorship would not undermine the independence of Mr. Ling with respect to his directorship at the Company given that (i) Mr. Ling is not involved in any day-to-day operation of the Company as a non-executive Director, and (ii) he has complied and followed with the Company’s guidelines on declaration and conflicts clearances. Meanwhile, Mr. Ling will act with integrity and exercise objectivity in the conduct of serving the Company.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules during the Year. Accordingly, the Company considers all independent non-executive Directors to be independent from the Company.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group’s businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors take decisions objectively in the interests of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Board is scheduled to meet for at least four times a year. Between scheduled meetings, senior management of the Group provides the Directors with information on a timely basis on the activities and development in the businesses of the Group and when required, additional Board meetings are held.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the Company Secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company’s expenses for discharging their duties to the Company.

The Directors should disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

The Board reserves its decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.



Term of Appointment of Non-executive Directors

Each of the non-executive Directors (including independent non-executive Directors) of the Company has entered into a letter of appointment with the Company for a specific term of three years, automatically renewable upon expiration, and is subject to retirement by rotation at an annual general meeting at least once every three years and being eligible, offer himself/herself for re-election pursuant to the Company's articles of association.

Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The Board Independence Evaluation Mechanism is available on the website of the Company.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the Year, all Directors has completed the independence evaluation in the form of a questionnaire individually. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the Year, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

Board Performance Evaluation

During the Year, the Group has not conducted the evaluation of the performance of the Board (the "**Board Performance Evaluation**") (except for the review of the Board's composition and skills). The Board shall set up a policy for the Board Performance Evaluation during the year ending 31 October 2026. The evaluation shall at least cover the following areas:

- Board composition and skills
- Board culture and dynamics
- Board practices
- Quality and timeliness of information to the board
- Board meetings
- Compliance and training
- Risk management and internal controls
- Stakeholder engagement



The process of the Board Performance Evaluation shall include: (i) identifying the approach and scope; (ii) questionnaires of the performance of the Board and each of the committees of the Board to be completed by the Directors; (iii) results of the questionnaires to be analysed by the Company Secretary and meet with individual Director if necessary; (iv) evaluation results to be presented to the Board for further discussions; (v) the Board to determine the action plan(s) to enhance the Board's performance and effectiveness; and (vi) the Board Performance Evaluation shall be conducted at least once in every two years.

BOARD COMMITTEES

As an integral part of good corporate governance practices, the Board had established three committees namely, the Audit Committee, remuneration committee (the "**Remuneration Committee**") and nomination committee (the "**Nomination Committee**"), for overseeing particular aspects of the Group's affairs. Each of these committees comprises mostly independent non-executive Directors who have been invited to serve as members. These committees are governed by the respective terms of reference approved by the Board. The terms of reference of these committees are posted on the websites of the Company and the Stock Exchange and available to shareholders upon request.

Audit Committee

The Company has established the Audit Committee with written terms of reference in accordance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consisted of three independent non-executive Directors, namely Mr. Huan Yean San, Mr. Andrew Ling Yew Chung and Ms. Kwok Yuen Lam Sophia. Mr. Huan Yean San was elected as the chairman of the Audit Committee. At the discretion of the Audit Committee, executive Directors and/or senior management personnel overseeing the Group's finance may be invited to attend meetings.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The Audit Committee normally meets two times a year. The Audit Committee also meets the external auditors twice without the presence of the executive Directors. The duties of the Audit Committee include, among other things, reviewing and monitoring the financial and internal control aspects, risk management system, audit plan and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The Audit Committee reviews the truth and fairness of the Group's interim and annual financial statements, discusses with the external auditors the nature and scope of audit before the Audit Committee as well as the findings and recommendations raised by the auditors during and after completion of the audit. The Audit Committee conducts an assessment, at least annually, of the effectiveness of the Group's internal controls and financial controls system, risk management system, scope of work and appointment of external auditors and arrangements for employees to raise concerns about possible improprieties. This allows the Board to monitor the Group's overall financial position and to protect its assets. The chairman of the Audit Committee summarises activities of the audit committee, highlights issues arising therefrom, and provides recommendations for reporting to the Board after each meeting.

Attendance record of meetings during the Year is set out on page 48 of this annual report.



The Audit Committee performed the following work during the Year:

- (a) reviewed the Group's annual audited financial statements for the Year, and reviewed the unaudited interim financial statements for the six months ended 30 April 2025 including the accounting principles and accounting standards adopted with recommendations made to the Board for approval;
- (b) reviewed the changes in accounting standards and assessed their potential impacts on the Group's financial statements;
- (c) reviewed the Group's internal control system and related matters;
- (d) reviewed the effectiveness of the Group's internal audit function; and
- (e) considered and made recommendations on the re-appointment and the change of the independent auditor of the Group, and the terms of engagement.

Nomination Committee

During the Year, the Nomination Committee consisted of one executive Director and two independent non-executive Directors with Mr. Pang Chong Yong, the executive Director, as the chairman. Other members are Mr. Huan Yean San (ceased to be a member with effect from 20 June 2025), Mr. Andrew Ling Yew Chung and Ms. Kwok Yuen Lam Sophia (appointed as a member with effect from 20 June 2025), being independent non-executive Directors. The Company has also complied with Code Provision B.3.5 of the CG Code (under the New CG Code), which provides that the Nomination Committee should include at least one member of a different gender.

The terms of reference of the nomination committee are of no less exacting terms than those set out in the CG Code. Pursuant to the amendments to CG Code which came into effect on 1 July 2025, the terms of reference of the Nomination Committee were adopted, amended and approved by the Board on 20 June 2025.

The nomination committee schedules to hold at least one meeting a year. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of directors assisting the Board in maintaining a board skill matrix, making recommendations to the Board on the appointment and succession planning of Directors, assessing the independence of independent non-executive Directors, and reviewing and monitoring the training and continuous professional development of directors and senior management.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.



Attendance record of meeting during the Year is set out on page 48 of this annual report.

The main works performed by Nomination Committee during the Year included reviewing the structure and composition (including the skills, knowledge and experience) of the Board as well as reviewing board diversity policy and recommending the same to the Board for approval.

The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained.

Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in accordance with Rule 3.25 of the Listing Rules and the CG Code. During the Year, the Remuneration Committee consisted of one executive Director and two independent non-executive Directors with Mr. Huan Yean San, an independent non-executive Director, as the chairman. Other members are Mr. Andrew Ling Yew Chung, being an independent non-executive Director, and Mr. Pang Chong Yong, being an executive Director. At the discretion of the Remuneration Committee, executive Directors and/or senior management personnel overseeing the Group's human resources function may be invited to attend meetings.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code.

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive Directors and the senior management.

The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure, including but not limited to the terms of service contracts of executive Directors, to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration. Remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee schedules to hold at least one meeting a year for reviewing the remuneration policy and structure of the Company and determination of the annual remuneration packages of the executive Directors and the senior management and other related matters. The human resources department is responsible for collection and administration of the human resources data and making recommendations to the remuneration committee for consideration. The Remuneration Committee shall consult with the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure of the Company and remuneration packages.

Attendance record of meetings during the Year is set out on page 48 of this annual report.

The main works performed by Remuneration Committee during the Year included (i) reviewing the remuneration packages of the executive Directors, independent non-executive Directors and senior management for the Year, (ii) assessing performance of executive Directors, and (iii) reviewing and/or the matters relating to share schemes under Chapter 17 of the Listing Rules.



Details of the emoluments of each Director and 5 highest paid employees for the Year are set out in notes 8 and 9 to the consolidated financial statements contained in this annual report, respectively. During the Year, the remunerations of the members of the senior management team who are not executive Directors are within the following bands:

Band of Remuneration (HK\$)	Number of Persons
Nil to HK\$1,000,000	2

Corporate Governance Functions

The Board is also responsible for performing the functions set out in the Code Provision A.2.1 of the CG Code.

The Board reviewed, developed and monitored Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this report.

Attendance Record of Directors and Committee Members

Code Provision C.5.1 of the CG Code stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the Year, the Board held 6 meetings.

The following table summarises the attendance record of individual Directors and committee members during the Year:

	No. of meeting attended/No. of meeting held				
	Board	Audit Committee	Nomination Committee	Remuneration Committee	2025 AGM
Number of meetings held	10 [#]	4	2	1	1
Executive Directors:					
Pang Chong Yong	10/10 [#]	4/4 [^]	2/2	1/1	1/1
Yik Wai Peng	10/10 [#]	4/4 [^]	-	-	1/1
Pang Jun Jie	10/10 [#]	4/4 [^]	-	-	1/1
Independent Non-Executive Directors:					
Huan Yean San	10/10 [#]	4/4	2/2 [*]	1/1	1/1
Andrew Ling Yew Chung	10/10 [#]	4/4	2/2	1/1	1/1
Kwok Yuen Lam Sophia	10/10 [#]	4/4	N/A [@]	-	1/1



- # *Including 4 written resolutions in lieu of meeting passed pursuant to articles of association of the Company during the Year.*
- ^ *The director is not a member of the Audit Committee.*
- * *Attendance record during the appointment period for the Year.*
- @ *No meetings were held during the appointment period for the Year.*

In accordance with Code Provision C.2.7 of the CG Code, apart from regular Board meetings, the Chairman also held meetings with the independent non-executive Directors without the presence of other Directors during the Year.

The independent non-executive Directors have attended general meetings to gain and develop a balanced understanding of the view of shareholders.

BOARD DIVERSITY POLICY

The Company has a Board Diversity Policy whereby it recognizes and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge.

Gender Diversity

As at the date of this report, the Board comprises six Directors, one of which is female. The Company targets to avoid a single gender Board and will timely review the gender diversity of the Board in accordance with the business development of the Group. The Company believes the balance of gender in the Board would bring more inspiration to the Board and enhance the business development of the Group, thus gender diversity is the essential factor for the Company to select suitable candidate as a Director.

As at the date of this report, approximately 85.7% of the Company's senior workforce (including the Directors and senior management) is male and approximately 14.3% is female. Same as the gender diversity of the Board, the Company targets to avoid a single gender senior workforce and will timely review the gender diversity of the senior workforce in accordance with the business development of the Group.



The following tables further illustrate the diversity of the Board members (other than gender diversity) as of the date of this annual report:

Name of Directors	Age Group				
	Under 30	30 to 39	40 to 49	50 to 59	60 or Above
Pang Chong Yong					✓
Yik Wai Peng				✓	
Pang Jun Jie		✓			
Huan Yean San			✓		
Andrew Ling Yew Chung		✓			
Kwok Yuen Lam Sophia			✓		

Name of Directors	Professional Experience		
	Law	Manufacture of buses	Accounting and Finance
Pang Chong Yong			✓
Yik Wai Peng			✓
Pang Jun Jie			✓
Huan Yean San			✓
Andrew Ling Yew Chung			✓
Kwok Yuen Lam Sophia	✓		

DIRECTOR NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the nomination committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;
- The number of existing directorships and other commitments that may demand the attention of the candidate;



- Requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- Board diversity policy of the Company and any measurable objectives adopted by the Board for achieving diversity on the Board; and
- Such other perspectives appropriate to the Company's business.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. During the Year, Mr. Huan Yean San ceased to be a member of Nomination Committee with effect from 20 June 2025 and Ms. Kwok Yuen Lam Sophia was appointed as a member of Nomination Committee with effect from 20 June 2025. Save as disclosed above, there was no change in the composition of the Board during the Year.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Whistleblowing policy

The Company has adopted a Whistleblowing Policy to enhance the awareness of internal corporate justice and regard this as a kind of internal control mechanism. This policy provides the assists to individual employees to disclose internally and at a high level, information which the individual believes showing malpractice or impropriety. It is not designed to further any personal disputes, question financial or business decisions taken by the Group, nor should it be used to report any employment-related matters which have been addressed under the grievances procedure already in place. Whistleblowing matters may include but are not confined to:

- Breach of legal or regulatory requirements;
- Criminal offences, breach of civil law and miscarriage of justice;
- Malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters;
- Endangerment of the health and safety of an individual;
- Damages caused to the environment;
- Violation of rules of conducts applicable within the Company or those of the Group;
- Improper conduct or unethical behaviour likely to prejudice the standing of the Group; and
- Deliberate concealment of any of the above.



It is the Company's policy to protect employees from any form of intimidation, reprisal, retaliation or adverse reaction organizationally as a consequence of reporting a concern about any of the above matters. The Company will make every effort to treat all disclosures in a confidential and sensitive manner. The identity of the individual employee making the allegation will not be divulged without the employee's consent unless the Company is legally required or obligated to reveal the employee's identity. Harassment or victimization of a genuine whistle blower will be treated as gross misconduct, which if proven, may result in dismissal.

Individual employees should exercise due care to ensure the accuracy of the information. If the employee is mistaken, he/she will not be at risk of losing his/her job or suffering any form of retribution provided that he/she is acting in good faith and reasonable manner. On the other hand, disciplinary action including dismissal will be taken against an employee who is proven to raise false and malicious allegations deliberately.

Initially, employee who has a legitimate malpractice concern should inform the respective Head of Department or General Manager and the Head of Department or General Manager shall report the matters to the Directors. In the case of the concern involving the Head of Department or the General Manager or the employee considers the Head of Department or General Manager shall not to be told, the employee may raise the matter directly to the Directors. The Directors may designate any appropriate persons or set up an inquiry to investigate the matter.

The Directors shall summarize the complaints received and report any matter of significance, under this policy, to the Audit Committee semi-annually or at appropriate time, where considered necessary.

Employees should ensure all necessary evidences are enclosed with the complaint letter. The Company will hold it a serious disciplinary offence for any person who seeks to prevent a communication of malpractice concern reaching the appropriate party, or to impede any investigation which he/she or anyone on his/her behalf may make.

If there is evidence of criminal activity, activity on solicitation and acceptance of advantages or breach of legal and regulatory requirements, the party responsible for the internal investigation may legally be obliged to inform the relevant public or regulatory bodies, as appropriate.

Depending upon the nature and particular circumstances, the investigation of each complaint may:

- be investigated internally;
- be referred to the relevant public or regulatory bodies;
- be referred to the external auditor of the Company; and/or
- form the subject of an independent inquiry.



The Directors or the person designated to investigate the complaint will write to the complainant wherever reasonably practicable of the concern being received:

- acknowledging that the concern has been received;
- telling the complainant whether any initial enquiries have been made and the related results, where appropriate and if available;
- advising whether or not the matter is to be investigated further and if so what the nature of the investigation will be and the estimated duration; and
- providing the justification if no further investigations will take place.

Confidential records will be kept for at least 7 years for all matters raised through this policy.

ANTI-CORRUPTION

The Company has established policies and system that promote and support anti-corruption laws and regulations.

During the Year, the Group was not aware of any significant non-compliance cases in relation to applicable laws and regulations on corruption.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Under Code Provision C.1.4 of the CG Code, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

Directors are encouraged to participate in continuous professional development so as to refresh their knowledge and skills for discharging their duties and responsibilities. During the Year, relevant reading materials including regulatory update and seminar handouts, etc. have been provided to the Directors for their reference and studying.



During the Year, the training of the Directors had covered the following topics: (i) duties of board and directors; (ii) Listing Rules and Hong Kong law compliance (including regulatory update); (iii) corporate governance and environmental, social and governance (ESG); (iv) risk management and internal controls; and (v) industry and business updates of bus and electric vehicle market. A summary of training taken by the Directors during the Year is set out as follows:

Training activities including in-house activities/briefings, seminars/talks held by professional organisations and/or reading materials on relevant topics

Executive Directors:

Pang Chong Yong	✓
Yik Wai Peng	✓
Pang Jun Jie	✓

Independent Non-Executive Directors:

Huan Yean San	✓
Andrew Ling Yew Chung	✓
Kwok Yuen Lam Sophia	✓

COMPANY SECRETARY

The Company Secretary supports the Chairman, the Board and Board committees by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary reports to the Board and assists the Board in functioning effectively and efficiently. The Company Secretary also advises the Board on governance matters and facilitates the induction and professional development of Directors.

Mr. Chiu Chun Yin (“**Mr. Chiu**”) was appointed as the Company Secretary with effect from 8 December 2021. Mr. Chiu is a member of The Hong Kong Institute of Certified Public Accountants. Mr. Chiu meets the qualification requirements under Rule 3.28 of the Listing Rules. During the Year, Mr. Chiu has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

The Company Secretary reports directly to the Board and is responsible for, inter alia, providing updated and timely information to all Directors from time to time.



DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The following statement, which sets out the responsibilities of the Directors in relation to the financial statements, should be read in conjunction with, but distinguished from, the independent auditors' report on pages 110 to 115 of this annual report which acknowledges the reporting responsibilities of the Group's auditors.

Accounts

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the Year which give a true and fair view of the financial position of the Group.

Going Concern

The Directors, having made appropriate enquiries, are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

AUDITORS' REMUNERATION

The audit committee has reviewed and ensured the independence and objectivity of the external auditors, SHINEWING. Details of the fees paid or payable to the external auditors for the Year are as follows:

	HK\$'000
2025 annual audit	900
Non-audit related services*	96
	<hr/>
	996

* including the non-audit related services provided by Crowe when they served as the external auditors of the Company during the Year.

RISKS MANAGEMENT AND INTERNAL CONTROLS

The Board has the responsibility to maintain an effective risk management and internal control system in order to safeguard the Group's assets and investments and the shareholders' interest and conducts a review on an annual basis. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. During the Year, the Board had conducted review of the effectiveness of the risk management and internal control system of the Company in aspects of the Group's financial, operational, compliance controls and risk management functions before the date of this report through effort of the audit committee.

The Board confirms that it has conducted a review of the risk management and internal control system of the Group during the Year. The Group currently has no internal audit function and such review was performed by an external independent consultant engaged by the Group. The Board considers that it is more cost-effective to engage an external independent consultant instead of recruiting a team of an internal audit staff to perform such annual review function.



The Company has established a whistleblowing policy which enhances the awareness of internal corporate justice and regards this as a kind of internal control mechanism. It provides employees with reporting channels and guidance on whistleblowing about possible improprieties in any matter related to the Company. The Company treats all information received confidentially and protects the identity and the interests of all whistleblowers.

The Board has the overall responsibility to maintain the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function and the Board had reached the conclusion that the Group's risk management and internal control system in place are adequate and effective.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the SFO and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has formulated inside information policies and disclosed its policies on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group regularly reminds the directors and employees about due compliance with all polices regarding the inside information, as well as keeps them apprised of the latest regulatory updates.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meeting and other general meetings. The Chairman of the Board, all other members of the Board including independent non-executive Directors, and the chairmen of all Board committees (or their delegates) will make themselves available at the annual general meeting to meet shareholders and answer their enquiries.

There was no change in the constitutional document during the Year. A latest version of the Company's constitutional documents are also available on the Company's website and the Stock Exchange's website.



To promote effective communication, the Company maintains a website at www.gml.com.my, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

Policies relating to Shareholders

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company has adopted a Dividend Policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval. Such details have been disclosed in the annual report of the Company.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules, unless otherwise required by the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

1. Convening an Extraordinary General Meeting by Shareholders

Pursuant to Article 58 of the Company's articles of association, an extraordinary general meeting ("**EGM**") may be convened by the Board on requisition of shareholder(s) holding not less than one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company. Such meeting shall be held within two months after the deposit of such requisition. If the Board fails to proceed to convene such EGM within 21 days from the date of the deposit of the requisition, the requisitioner(s) himself (themselves) may convene a physical meeting at only one location which will be the Principal Meeting Place, and all reasonable expenses incurred by the requisitioner(s) as a result of failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

The requisitionists must state the objects clearly in the requisition, sign the requisition and deposit the same to the Board or Company Secretary.

2. Putting Forward Proposals at General Meetings

Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening a EGM following the procedures as set out in the paragraph above.

As regards to the procedures for shareholders to propose a person for election as a Director, they are available on the Company's website at www.gml.com.my.



3. Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company.

Note: The Company will not normally deal with verbal or anonymous enquires.

Primary Contact Person

Shareholders may send their requisitions, proposed resolutions or enquiries as mentioned in (1), (2) and (3) above to the primary contact person of the Company as set out below:

Name: Mr. Chiu Chun Yin, Company Secretary
Address: Room 1102, Tower 1, Ever Gain Plaza, 88 Container Port Road,
Kwai Chung, Hong Kong

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.



ABOUT THIS REPORT

Scope and Reporting Period

This report was prepared by Gemilang International Limited (hereinafter referred to as the “**Company**”, and together with its subsidiaries referred as the “**Group**”), highlighting its Environmental, Social and Governance (the “**ESG**”) performance, with disclosure reference made to the ESG Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix C2 to Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Climate-related disclosures are aligned with the Task Force on Climate-Related Financial Disclosures (“**TCFD**”) framework.

This ESG report covers the Group’s principal operations in two subject areas, namely the Social of business operations in the general administrative office in Hong Kong (the “**Hong Kong Office**”) and the manufacturing plant of Gemilang Coachwork Sdn. Bhd. in Malaysia (the “**Manufacturing Plant**”), as well as the Environmental of business operations in the Manufacturing Plant from 1 November 2024 to 31 October 2025 (the “**Reporting Period**”), unless otherwise stated. These operations represent the core operations of the Group during the Reporting Period.

For the Group’s information on corporate governance practice, please refer to the corporate governance report on pages 40 to 58 of this annual report.

About the Group

With more than 30 years of industrial experience, the Group is the leading manufacturer of bodywork for commercial vehicles, including but not limited to buses and coaches. Based in Malaysia, the Group has unique expertise in designing and manufacturing bus bodies (SKDs and CKDs) and the assembly of buses (CBUs). Furthermore, the Group has exported its products to more than 15 markets around the globe including the USA, Australia, New Zealand, Singapore, and Hong Kong, meeting the respective local road safety regulations. The Group is dedicated to driving sustainable growth by delivering innovative solutions that not only meet the evolving needs of our customers but also advance their commitment to environmental stewardship.

Reporting Principles

The preparation of this ESG report has applied the following principles:

Materiality – materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement are presented in the section “Stakeholder Engagement and Materiality” in this report.

Quantitative – key performance indicators (the “**KPI(s)**”) have been established to make measurable and applicable comparisons under appropriate conditions. Information on the standards, its methodologies and assumptions, calculation tools used and sources of conversion factors used have been disclosed when applicable.

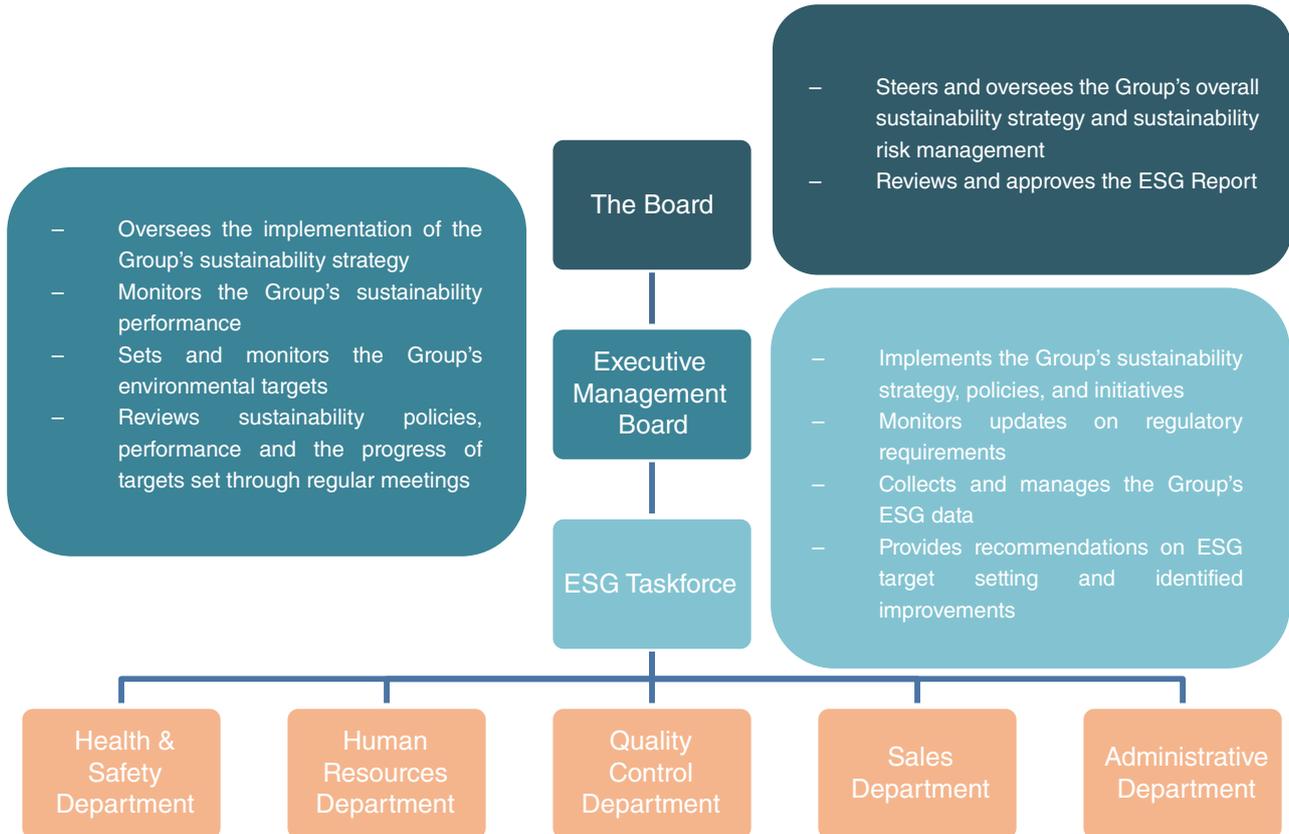
Balance – performance of the Group was presented impartially, avoiding choices, omissions or presentation formats that may unduly influence readers’ decisions or judgements.

Consistency – consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.



SUSTAINABILITY GOVERNANCE

A robust sustainability governance framework is fundamental to our future. The Group has implemented a comprehensive ESG risk management system to strengthen performance and proactively address sustainability challenges. Clear roles and responsibilities lie on the board of directors (the “**Board**”) of the Company, the Executive Management Board and the ESG Taskforce as summarised below.



The Group’s sustainability governance structure enables the identification, assessment, and management of emerging ESG issues and associated risks that concern its stakeholders. The Board of Directors (the “**Board**”) is ultimately responsible for directing the Group’s sustainability strategy and providing oversight of risk management, including sustainability-related risks. The Executive Management Board, chaired by Mr. Pang Chong Yong (the Chairman and Chief Executive Officer), is mandated by the Board to oversee the implementation of Group-wide sustainability strategy and monitor overall sustainability performance, including KPI and target setting.

To support execution, the ESG Taskforce has been established, comprising members from various departments such as Health and Safety, Human Resources, Administrative, Quality Control, and Sales. These Task Forces work at the operational level with business units to implement specific ESG work plans, monitor performance data, and assist in preparing the Group’s ESG Report. Their roles and responsibilities are clearly outlined in the Group’s ESG Policy, which aligns each policy area (e.g., Environmental Management, Social Management) with corresponding departments to ensure accountability and effective governance.



The Executive Management Board meets regularly to review sustainability performance and progress toward targets, and is authorized to obtain outside legal or other independent professional advice when necessary. Annually, management presents an ESG Risk Assessment Report to the Board during its general meeting. The ESG Report, once reviewed by the Executive Management Board, is submitted to the Board for final endorsement and forms part of the Group's Annual Report.

In addition to internal governance, the Group engages external professional services to support ESG reporting, including referencing international trends, ESG data, and peer benchmarks as required by the Listing Rules. The Group also leverages external expertise to assess ESG materiality and identify climate-related risks and opportunities, ensuring alignment with global standards and regulatory expectations.

The ESG Policy is reviewed and updated regularly in light of changing circumstances and regulatory requirements to ensure continued effectiveness and relevance.

The Board's Statement

We reaffirm our unwavering commitment to embedding sustainability and responsible business practices at the core of our strategy, operations, and long-term vision. We recognise that ESG considerations increasingly shape the landscape in which we operate, influencing not only our resilience and competitiveness, but also the trust and confidence of our stakeholders.

Sustainability Issues and Risks Relevant to the Group

Our business is exposed to a range of sustainability-related impacts, risks, and opportunities across the economy, environment, and society. These include both current and emerging dynamics:

- **Environmental impacts and risks**, such as climate change, regulatory transition, resource scarcity, emissions reduction requirements, waste management challenges, and the shift toward low-carbon and circular economies.
- **Social impacts and responsibilities**, including employee health and safety, labour practices, human capital development, supply-chain integrity, and community well-being.
- **Economic and operational considerations**, such as technological shifts, evolving customer expectations, market volatility, energy costs, and the transition to cleaner production or transport solutions.

These issues present a combination of positive and negative, short- and long-term, as well as intentional and unintentional effects on our value chain. While some challenges – such as rising regulatory standards or climate-related disruptions – pose risks, others create opportunities for innovation, efficiency, and strategic differentiation.



Our Strategy and Approach to Managing ESG Topics

To address these issues effectively, we apply a structured and forward-looking sustainability strategy. This strategy is guided by our corporate values and anchored in the following principles:

- **Assessment and prioritization**

We regularly conduct materiality assessments, risk evaluations, and scenario analyses to identify the ESG topics most relevant to our business, stakeholders, and long-term resilience. These assessments incorporate both qualitative insights and quantitative indicators, ensuring that we address existing risks while anticipating emerging trends.

- **Integration into business planning**

Sustainability considerations are embedded into our policies, investment decisions, operations, and product development processes. This includes integrating climate-related factors into capital budgeting, advancing resource efficiency measures, strengthening supply-chain due diligence, and promoting responsible innovation.

- **Mitigation and adaptation measures**

We implement practical measures to reduce our environmental footprint, enhance operational efficiency, and support sustainable growth. This includes emission-reduction initiatives, responsible sourcing practices, employee training, communities engagement, and the progressive adoption of low-carbon technologies and processes.

- **Leveraging opportunities**

We actively pursue opportunities associated with the global sustainability transition, such as expanding low-carbon products or services, strengthening circular-economy capabilities, and developing technologies that reduce environmental and societal impacts.

Monitoring and Oversight

Oversight of sustainability matters rests with the Board, supported by senior management and cross-functional teams. We maintain a robust governance structure for monitoring ESG performance through:

- Regular Board and management reviews of ESG indicators, targets, and risk registers
- Annual and quarterly KPI assessments covering energy, emissions, waste, safety, diversity, labour standards, and community impact
- Internal audits and compliance checks to ensure adherence to policies and regulatory requirements
- Continuous monitoring of global and local sustainability trends to enhance responsiveness
- Transparent engagement with stakeholders through disclosures, reporting, and dialogue

This governance framework ensures accountability, consistency, and continuous improvement across all levels of the Group.



Looking Ahead

We recognise that the sustainability landscape is evolving rapidly. From climate change to socio-economic disruptions, the challenges ahead are significant – but so are the opportunities. We remain committed to building a Group that operates responsibly, supports a healthier environment, empowers its people, and delivers long-term value for all stakeholders.

Our journey is ongoing. We will continue to learn from experience, adapt to shifting expectations, and strengthen our contribution to sustainable development. Guided by our long-term vision and the dedication of our people, we are confident in our ability to navigate the complexities of today’s world and create a resilient, sustainable future for the Group and the communities we serve.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

Stakeholder Engagement

The Group communicates regularly with and gathers feedback from stakeholders through various channels to understand their expectations, build and maintain a good relationship, and identify the most significant environmental and social aspects of the Group’s operations to its stakeholders. Gathering views from stakeholders helps the Group to refine its ESG management approaches and policies according to stakeholders’ interests. The table below outlines the Group’s various dialogue channels for different types of stakeholders:

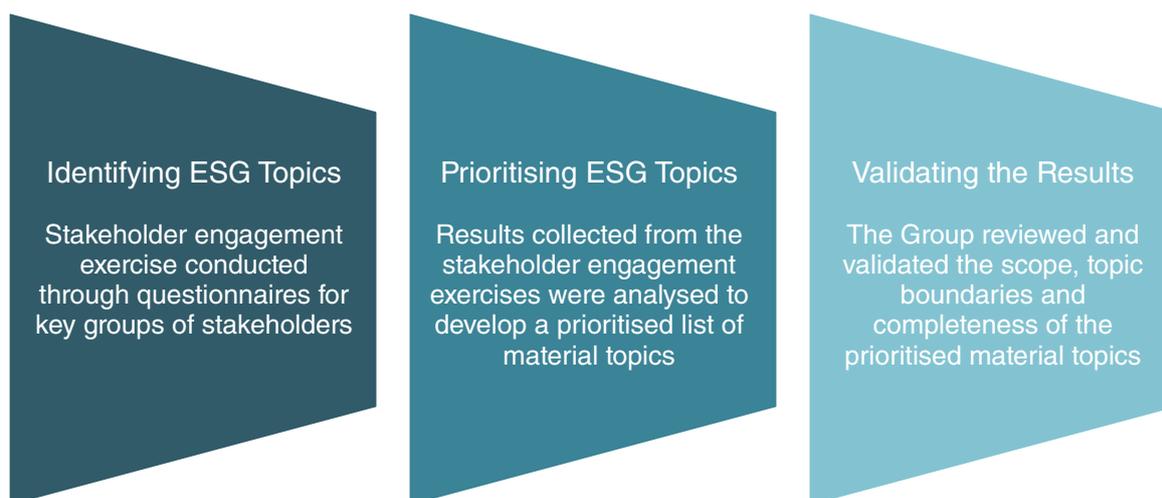
Stakeholders	Communication Channels
Shareholders and investors	<ul style="list-style-type: none"> – Company’s website – Annual and interim reports – Regular meetings – Company’s announcements – Postal correspondences, emails or telephone communications
Customers	<ul style="list-style-type: none"> – Company’s website – Customer service channels – Customer satisfaction surveys – Customers’ meetings
Employees	<ul style="list-style-type: none"> – Training and orientation programmes – Employees’ performance evaluations – Employees’ activities – Regular meetings – Emails and feedback collection boxes
Suppliers and business partners	<ul style="list-style-type: none"> – Supplier selection assessment – Suppliers’ performance assessment – Supplier meetings – Emails and phone communications
Government authorities and regulators	<ul style="list-style-type: none"> – Documented information submissions – Compliance inspections and checks – Regular meetings/luncheons with local government representatives – Forums, conferences and workshops



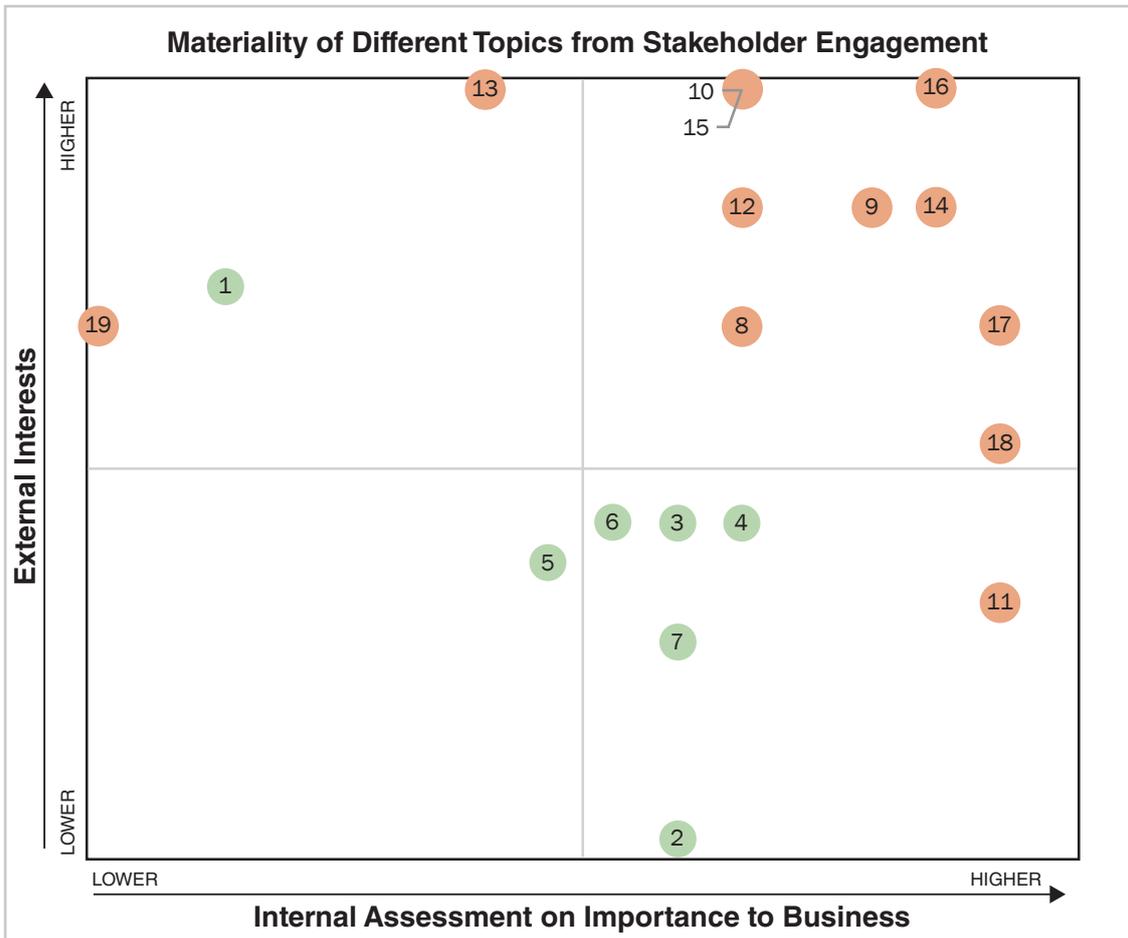
Stakeholders	Communication Channels
Non-governmental organisations and communities	<ul style="list-style-type: none"> - Company's website - Charity donations and events - Voluntary services and community activities - Emails and phone communications
Media	<ul style="list-style-type: none"> - Company's website - Company's announcements - Press releases

Materiality Assessment

The Group values the input and feedback of its stakeholders as they bring insights into the Group's business. To determine the material aspects that are most important and influential to the business of the Group, a materiality assessment had been conducted specifically for this ESG Report by a third-party consultant during the Reporting Period. The materiality assessment helps to determine priorities and allocate resources more effectively.



During the Reporting Period, members of the Board, senior management, frontline employees, suppliers, contractors, and customers were engaged through stakeholder surveys to provide the Group with insights on the ESG aspects they find material. Internally, an assessment was conducted to determine the importance of the ESG aspects to the Group's business development. The materiality matrix below shows the result of the Group's materiality assessment process:



Environmental

- 1 Energy
- 2 Water
- 3 Air Emissions
- 4 Waste and Effluents
- 5 Other Raw Materials Consumption
- 6 Environmental Protection Measures
- 7 Climate Change

Social

- 8 Employment
- 9 Occupational Health and Safety
- 10 Development and Training
- 11 Labour Standards
- 12 Supplier Management
- 13 Intellectual Property Rights
- 14 Customer Privacy and Data Protection
- 15 Customer Service
- 16 Product Quality
- 17 Product Health and Safety
- 18 Anti-corruption
- 19 Community Investment



The Group believes that identifying stakeholders' concerns and responding to them helps to build trust with its stakeholders and drive positive business outcomes. The ESG topics that have been deemed as the most important by stakeholders and the Group's corresponding responses are summarised in the table below. The material topics remained largely consistent with the previous reporting period, except for the exclusion of energy as a material topic, and the inclusion of occupational health and safety, supplier management, and anti-corruption as new topics deemed to be material for this Reporting Period. Discussion and details are included in the respective sections regarding the material topic in this ESG report.

Key concerns from stakeholders	The Group's responses	Relevant Section
Employment	The Group has implemented and promoted policies and measures that ensure fair remuneration and promotion opportunities for employees. The Group has also maintained employee welfare and wellbeing through regular activities and gifts. Furthermore, the Group does not tolerate any behaviours of harassment.	B1. Employment – Recruitment, Promotion and Dismissal, Employee Welfare and Wellbeing, Diversity and Inclusiveness
Occupational Health and Safety	The Group has established a comprehensive and compliant occupational health and safety management framework, formalized by its dedicated policy and focused on minimizing injuries, fostering a safety culture, and ensuring continuous improvement. Its systematic approach includes rigorous hazard identification, regular training, emergency preparedness, and structured incident investigation, all supported by dedicated oversight personnel and departmental task forces.	B2. Health and Safety – Health and Safety Management System, Hazard Identification and Mitigation, Fire Prevention, Incident Handling, Health and Safety Training
Development and Training	The Group's training strategy aims to provide career development and training opportunities to employees from all departments. Through enrichment of knowledge, skills and attitude, the Group aims to enhance employees' efficiency and effectiveness when performing their duties, which the Group believes would lead to long-term growth and success in its business.	B3. Development and Training – Training Approach
Supplier Management	The Group ensures a sustainable supply chain by integrating environmental and social criteria into its supplier selection, guided by a Supplier Code of Conduct and supported by a comprehensive due diligence and monitoring framework. Key suppliers are evaluated on quality, timeliness, and ESG performance, with major ones reviewed annually, while the Group actively pursues responsible procurement and upholds high ethical and operational standards.	B5. Supply Chain Management – Selection and Management of Suppliers, Responsible Procurement



Key concerns from stakeholders	The Group's responses	Relevant Section
Customer Privacy and Data Protection	The Group collects data from its customers only when there are legal and legitimate reasons. It strictly complies with all applicable laws and regulations, and no substantiated complaints regarding a breach of client privacy, identified leak, theft, or loss of customer information was received during the Reporting Period.	B6. Product Responsibility – Data Privacy
Customer Service	The Group actively seeks customer feedback through satisfaction surveys and maintains robust policies to ensure high-quality service and transparent complaint resolution. All received input is reviewed by management to foster continuous improvement and strengthen customer trust. An effective complaint-handling mechanism is in place to address concerns promptly and fairly.	B6. Product Responsibility – Customer Satisfaction
Product Quality	The Group's quality management system has continuously been accredited with ISO 9001:2015 quality management system. With a sound management and evaluation system in place, the Group delivers top quality products and services meeting statutory and regulatory requirements.	B6. Product Responsibility – Quality Management System, Quality Assurance
Product Health and Safety	The quality assurance procedures of the Group fulfil the United Nations regulations on motor vehicles. The Group's product designs have fully complied with all applicable regulatory requirements and standard codes in various markets, including among others the Directive 2007/46/EC of the European Parliament and Council, and the legal, safety and disability standards of Australia.	B6. Product Responsibility – Quality Assurance
Anti-corruption	The Group upholds a robust anti-corruption framework anchored by a clear Code of Conduct, strong internal controls, and a protected whistle-blowing policy to ensure integrity and legal compliance. Regular training is provided to all employees and directors to reinforce ethical standards, while periodic risk assessments and board-level oversight maintain accountability and prevent misconduct.	B7. Anti-corruption – Anti-corruption Policy, Whistle-blowing Policy, Anti-corruption Training

The Group reviews and manages the material aspects with policies and best practices and will continue to work towards building positive relations with its stakeholders, improving the overall ESG performance and developing better management of ESG-related risks.



STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its ESG approach and performance. Suggestions or views can be sent to the Group through email (irgroup@gml.com.my) or the communication channels described on the Company's website (www.gml.com.my).

A. ECO-FRIENDLY OPERATIONS

The Group has set long-term goals to reduce the impact of its products and business activities on the environment. The environmental goals set are summarised below.

Environmental Targets to be Achieved by the End of FY 2030

Emission	<ul style="list-style-type: none"> Reduce absolute scope 1 and 2 GHG emissions by 20% from a 2019 base year.
Electricity Consumption	<ul style="list-style-type: none"> Reduce absolute electricity consumption by 25% from a 2019 base year.
Water Consumption	<ul style="list-style-type: none"> Reduce absolute water consumption by 30% from a 2020 base year.
Use of Packaging Materials	<ul style="list-style-type: none"> Reduce the use of packaging materials by 50% from a 2018 base year.
Waste Generation	<ul style="list-style-type: none"> Reduce absolute scheduled waste generation by 2% year-on-year.

The Group is committed to advocating and implementing green factory initiatives to minimise its environmental impacts. In alignment with its ESG Policy and management structure, it has formulated and implemented the following policies to define its environmental objectives and operational guidelines:

- Environmental Goals Statement;
- Environmental Policy;
- Greenhouse Gas Emission Control and Environmental Policy;
- Energy and Water Use Policy; and
- Double Side Printing and Recycle Paper Usage Policy.

These policies are overseen at the operational level by designated the designated ESG Taskforce, which includes the Health and Safety Department and the Administrative Department, thus ensuring proper implementation, regular updates, and adherence to local regulations and industry best practices.



The Group actively supports environmental management programmes that promote environmental protection and awareness. During the Reporting Period, the Group did not note any cases of material non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharge into water and land, and the generation and disposal of hazardous and non-hazardous waste.

Furthermore, the Group has maintained its ISO 14001 Environmental Management System Certificate for Design and Manufacture of Bus Body and Assembly of Buses during the Reporting Period, which demonstrated its commitment to environmental management. In recognition for its sustainability efforts, the Group has also received the 2025 JCI Malaysia Sustainable Development Award during the Reporting Period.

A1. Emissions

The Group is committed to green production and has gone the extra mile to reduce direct and indirect emissions derived from its production activities. Key emission reduction measures implemented during the reporting period include improving energy efficiency through equipment upgrades, optimizing operational processes to minimize fuel consumption, and enhancing monitoring systems to track emissions more accurately.

The Manufacturing Plant in Malaysia has strictly complied with local laws and regulations, including the Environmental Quality Act 1974 of the Laws of Malaysia and the requirements set out by the Ministry of Energy and Natural Resources and the Department of Environment of Malaysia.

Air Emissions

During the Reporting Period, air emissions were mainly generated from petrol and diesel consumption by the Group's vehicles. The emission data is shown in "Annex A. Environmental Performance Table".

Greenhouse Gas ("GHG") Emissions

During the Reporting Period, the Group's GHG emissions were contributed by:

- Scope 1 – Direct Emissions from operations that are owned by or controlled by the Group;
- Scope 2 – "Energy indirect" emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group; and
- Scope 3 – Other indirect emissions that occur outside the Group, including both upstream and downstream emissions.



The details of GHG emissions are shown below.

Scope of GHG Emissions ¹	Emission Sources	Emission in FY 2024 (in tCO ₂ eq. ²)	Emission in FY 2025 (in tCO ₂ eq.)
Scope 1			
Direct emissions	Petrol consumed by vehicles	171.22	187.94
	Diesel consumed by vehicles	148.34	143.05
Scope 2			
Indirect emissions	Purchased electricity ^{3, 4}	342.12	383.36
Scope 3⁵			
Other indirect emissions	Paper consumption	3.89	3.29
	Freshwater processing ⁶	17.90	11.44
	Sewage processing ⁷	9.43	6.17
	Business Air Travel ⁸	30.69	2.75
Total⁹		723.58	738.85
Intensity (tCO₂eq./production unit)		4.09	2.81

Notes:

1. Emission factors were referred to Appendix C2 to the Listing Rules and their referred documentation as set out by the Stock Exchange unless stated otherwise. Scope 3 emissions were only calculated based on the available emission factors from the referred documentation.
2. tCO₂eq represents tonnes of carbon dioxide equivalent greenhouse gases (mainly carbon dioxide, methane and nitrous oxide).
3. Emission factor of 0.5571 tCO₂/MWh (source: from Sustainability Report 2024 for Tenaga Nasional Berhad) were used for purchased electricity emissions in the Manufacturing Plant in Malaysia in FY 2025. Emission factor of 0.39 tCO₂/MW (source: from 2023 Sustainability Report for CLP) and 0.5465 tCO₂/MWh (source: from Sustainability Report 2023 for Tenaga Nasional Berhad) were used for purchased electricity emissions in the Hong Kong Office and Manufacturing Plant in Malaysia respectively in FY 2024.
4. During FY 2025, the Hong Kong Office has moved into a shared working space with a business partner. Due to this change, the environmental impact of business operations in Hong Kong Office has become even more insignificant in comparison to the Manufacturing Plant in Malaysia. As such, going forward the Group's ESG Reports shall no longer account for environmental data from the Hong Kong Office.
5. Data for other categories of scope 3 emissions have not yet been collected, and our Group currently does not have the capability to conduct data collection for these categories; however, our Group shall endeavour to dedicate resources to complete scope 3 emissions disclosure in due time.
6. Emission factor of 0.544 kgCO₂/m³ (source: from 2024 Sustainability Report for Air Selangor) was used for freshwater processing at Manufacturing Plant in Malaysia in FY 2025. Emission factor of 0.562 kgCO₂/m³ (source: from 2023 Sustainability Report for Air Selangor) was used for freshwater processing at Manufacturing Plant in Malaysia in FY 2024.
7. Emission factor of 0.2935 kgCO₂/m³ (source: from 2024 Sustainability Report for Indah Water) was used for sewage treatment at Manufacturing Plant in Malaysia in FY 2025. Emission factor of 0.2960 kgCO₂/m³ (source: from 2023 Sustainability Report for Indah Water) was used for sewage treatment at Manufacturing Plant in Malaysia in FY 2024.
8. CO₂ emissions from the Group's business air travels were reported in accordance with the International Civil Aviation Organisation (ICAO) Carbon Emission Calculator.
9. Total GHG Emissions may not equal total of emission sources or sub-totals due to rounding errors.



Emission Reduction and Targets

Mitigating emissions from the Group's production activities is essential to promoting a green factory. The Group goes beyond the call of duty to reduce direct and indirect emissions from its production activities. To reduce GHG emissions, the Group has installed on-site photovoltaic system in the Manufacturing Plant since 2021 and has been generating renewable energy with the system since August 2022. The system was expected to generate 540k kWh per annum. The renewable energy generated on-site was used on-site except during the idle production hours, renewable energy generated was sold to Tenaga Nasional Berhad's electricity grid.

During the Reporting Period, a total of 502,675.7 kWh of renewable energy was generated from the photovoltaic system on-site, which contributed to a total of 321.21 tCO₂eq. carbon reduction¹. This reduces the use of purchased electricity and hence reduces GHG emissions significantly. The amount of renewable energy generated during the Reporting Period has stayed roughly consistent when compared to the last reporting period, with only a minor decrease due to variance in weather patterns. The Group aims to continuously increase the proportion of renewable energy use of its energy consumption to reduce GHG emissions.



Photo of the Photovoltaic System in the Manufacturing Plant

¹ The total CO₂ reduction was extracted from the Group's solar panel monitoring system, which 1 kWh of solar energy yield equals to 0.639 kg of CO₂ reduction.



To minimize greenhouse gas and polluting air emissions, the Group actively promotes environmental protection and awareness among employees and subcontractors through structured education and training programs, as outlined in its Greenhouse Gas Emission Control and Environmental Policy. This includes initiatives such as optimizing energy use by reducing reliance on heating and air conditioning and supporting tree-planting activities within its premises.

Beyond emission reduction, the Group prioritizes maintaining high indoor air quality within its Manufacturing Plant. Regular monitoring is conducted to assess indoor environmental conditions, and remedial actions are promptly taken if any non-conformity with applicable standards is identified. During the Reporting Period, the Plant fully complied with all relevant regulatory requirements, including those set by the Department of Environment, the Department of Occupational Safety and Health, and Malaysia Standards.

These environmental and occupational health measures are implemented and overseen by the Health and Safety Department under the Group’s ESG Taskforce structure, ensuring alignment with the Policy and Procedures on Occupational Safety and Health and supporting the Group’s broader commitment to employee wellbeing and regulatory compliance.

Moving forward, the Group aims to increase the proportion of renewable energy consumption. The Group has set a target to reduce absolute Scope 1 and Scope 2 GHG emissions by 20% by the end of FY 2030, with FY 2019 as the base year.

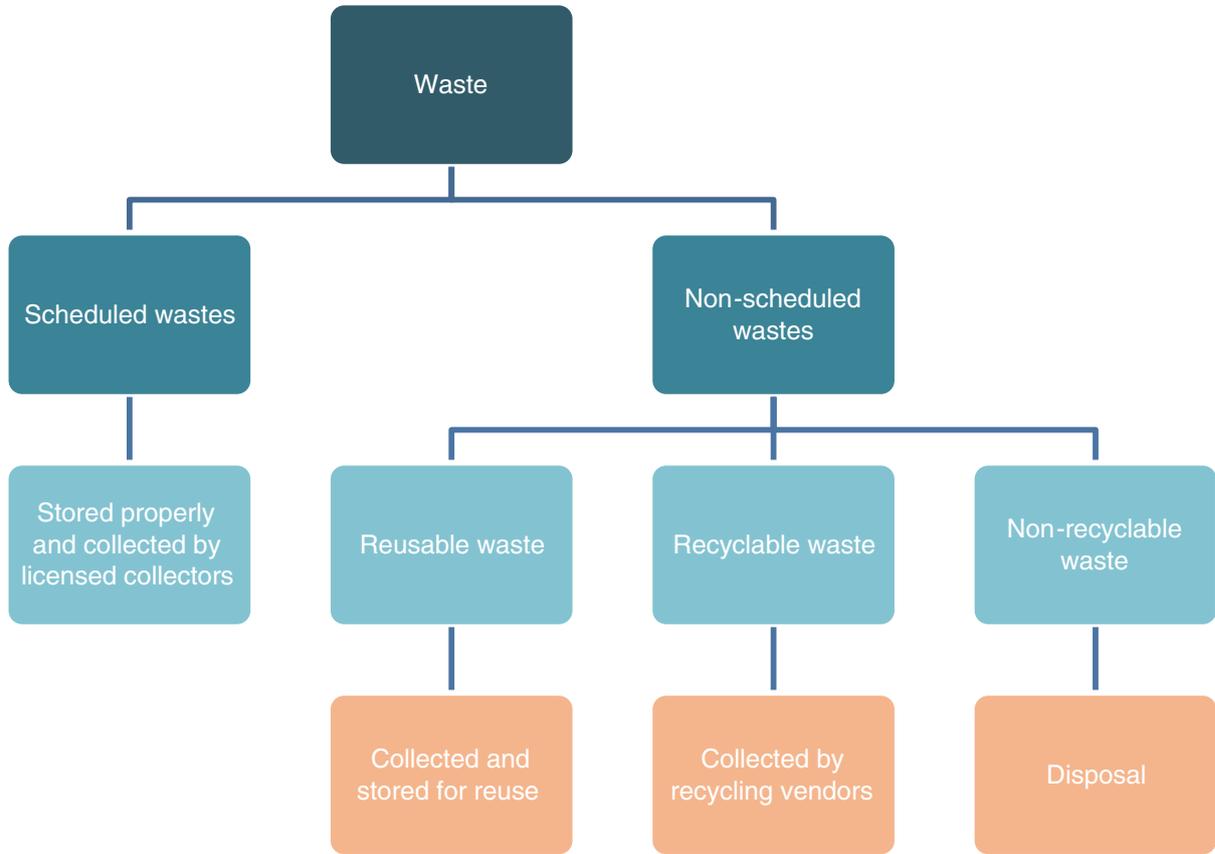
Indicator	Target type	FY 2019 baseline	FY 2025	FY 2030 Target
Scope 1 GHG emissions	Absolute	203.87 tCO ₂ eq.	331.83 tCO ₂ eq.	To reduce absolute Scope 1 GHG emissions by 15% by the end of 2030
Scope 2 GHG emissions	Absolute	951.38 tCO ₂ eq.	383.36 tCO ₂ eq.	To reduce absolute Scope 2 GHG emissions by 20% by the end of 2030

Similar to previous reporting period, the Group has fallen short of the set target for Scope 1 GHG emissions reduction but exceeded the set target for Scope 2 GHG emissions reduction during the Reporting Period.

The Board and the management have reviewed the progress made against the emission reduction targets. Since Scope 1 GHG emissions have not been meeting target due to the increase in production, the reduction target shall be modified to be based on production unit intensity, and the new target shall be to reduce Scope 1 GHG emissions intensity by 10% by the end of FY 2035, with FY 2025 as the base year. For consistency in target setting, the Scope 2 GHG emissions reduction target shall also be revised to be based on production unit intensity, and the new target shall be to reduce Scope 2 GHG emissions intensity by 10% by the end of FY 2035, with FY 2025 as the base year.



Wastes Handling, Reduction Initiatives and Targets



The Group primarily generated two types of waste from its business operation, namely scheduled and non-scheduled wastes. Scheduled wastes are wastes that have hazardous characteristics which can cause a negative impact on the environment and the public. Non-scheduled wastes are wastes that are not categorized as hazardous waste.

To facilitate material recycling, the Group has developed a waste sorting and recycling system guided by its Hazardous and Non-Hazardous Waste Management Procedure. Scheduled wastes are stored properly and collected by licensed collectors according to the applicable local laws and regulations. The Group adopts a 4R (reduce, reuse, recycle, recovery) strategy and strives to reduce wastes at source. Wastes such as steel and aluminium are reused and recycled whenever possible, with reusable wastes collected and stored for future use, and recyclable waste handled by authorized recycling vendors.

Regarding daily administrative activities, the Group uses PEFC certified paper according to the Double Side Printing and Recycle Paper Usage Policy of the Group. The Group encourages employees use paper more efficiently by adopting double-sided printing, reusing paper for unofficial documents, and using small font size to reduce number of pages to be printed when applicable. These measures reflect the Group’s commitment to resource efficiency across both operational and administrative functions.



To effectively reduce waste generation, especially scheduled wastes that would bring more significant negative impact to the environment, the Group has set a target on reducing scheduled waste generation. Until 2030, the Group aims to achieve a 2% reduction in absolute scheduled waste generation year-on-year.

Indicator	Target type	FY 2024 baseline	FY 2025	FY 2030 Target
Scheduled waste generation	Absolute	4.99 tonnes	8.07 tonnes	To achieve a 2% reduction in absolute scheduled waste generation year-on-year

Similar to the previous reporting period, the Group has fallen short of the scheduled waste generation reduction target for the Reporting Period. One significant factor was the Group's revision and improvement in documenting and recording scheduled waste produced after obtaining the ISO14001 certification in the previous reporting period, which resulted in a more comprehensive record of scheduled wastes since 2023. Furthermore, the Group has seen an increase in production during the Reporting Period, thus contributing to the year-on-year increase in scheduled waste generation. The management has communicated internally with employees to ensure transparency regarding the status, reasons behind the shortfall, and the corrective measures being implemented. External stakeholders have also been informed of the situation through this report and other communication channels mentioned in the section "Stakeholder Engagement and Materiality" of this report.

In view of the changes in recordkeeping of generated scheduled waste, the Board and the management have reviewed the progress made against the scheduled waste generation target, and have decided to revise the reduction target to be based on production unit intensity. Going forward, the new target shall be to reduce scheduled waste generation intensity by 10% by the end of FY 2035, with FY 2025 as the base year.

Scheduled and Non-Scheduled Wastes

Scheduled waste generated from the Group's operation during the Reporting Period consisted of contaminated rags, gloves, and containers, as well as waste paint, solvent, adhesives, and spent hydraulic oil from production process at the Manufacturing Plant. Non-scheduled waste mainly consisted of domestic waste from the Manufacturing Plant. The waste generation data is shown in the "Annex A. Environmental Performance Table".

The scheduled waste generation intensity per production unit has increased slightly while the non-scheduled waste generation intensity per production unit has been significantly reduced when compared to the previous reporting period. The rise in scheduled waste generation intensity was attributed to the increased prototyping of buses and the enhanced recordkeeping of scheduled wastes after the ISO14001 certification.



A2. Use of Resources

Energy and Water Consumption

The energy involved in the Group's operations includes petrol and diesel combustion for vehicles, and purchased electricity. During the Reporting Period, there was a 6% increase of overall energy consumption (excluding renewable energy consumption) during the Reporting Period when compared to the last reporting period. In particular, energy consumption has surged significantly due to increased sales activity in Malaysia. Additionally, the increased production of prototypes and charging for electric buses during this period contributed to the overall rise in energy consumption. However, energy consumption intensity has decreased by 29% during the Reporting Period when compared to the last reporting period, an indicator that the Group's equipment upgrades and optimized operational procedures have been improving its energy efficiency.

Fresh water was consumed in the Group's business operations. During the Reporting Period, there was a 34% decrease in absolute water consumption and a 56% decrease in water consumption intensity during the Reporting Period when compared to the previous reporting period. This was mainly due to the decreased water consumption by employees and the year-on-year increase in production units. The Group continuously monitors water consumption performance and conducts regular water leak tests in the Manufacturing Plant to avoid water leakage. There was no issue in sourcing water that was fit for purpose for the Group during the Reporting Period.

The energy and water consumption data are shown in the "Annex A. Environmental Performance Table".

Energy Efficiency and Targets

To minimise energy consumption, the Group adopts the following measures in the Manufacturing Plant according to the Energy and Water Use Policy:

- Turning off lights and equipment when not in use;
- Using available sunlight to illuminate work spaces;
- Replacing incandescent light bulbs with compact fluorescent lamps;
- Ensuring outdoor lighting is turned off during daytime; and
- Using energy efficient electrical appliances approved by Suruhanjaya Tenaga.

The Manufacturing Plant has set up a solar power system which significantly reduces its reliance on purchasing electricity. The Group aims to increase the proportion of renewable energy in its energy consumption in the future. By increasing the portion of renewable energy use in the Group's energy consumption, the Group aims to reduce the absolute purchased electricity consumption by 25% by the end of FY 2030, with FY 2019 as the base year.



Indicator	Target type	FY 2019 baseline	FY 2025	FY 2030 Target
Purchased Electricity consumption	Absolute	1,361.39 MWh	688.13 MWh	To reduce absolute purchased electricity consumption by 25% by the end of 2030

Similar to previous reporting period, the Group has surpassed the purchased electricity consumption reduction target during the Reporting Period. The Board and the management have reviewed the progress of the above target, and have decided to revise the reduction target to be based on production unit intensity. Going forward, the new target shall be to reduce purchased electricity consumption intensity by 10% by the end of FY 2035, with FY 2025 as the base year.

The management has communicated internally with employees to ensure transparency regarding the status with further improvement plans implemented. External stakeholders have also been informed of the situation through this report and other communication channels mentioned in the section “Stakeholder Engagement and Materiality” of this report.

Water Use Efficiency Initiatives and Targets

The Group strives to reduce unnecessary water use and protects adjacent water bodies by ensuring its effluent discharge complies with the applicable local requirements. The following measures have been adopted to minimise water consumption:

- Reducing water leakage;
- Enhancing workers’ awareness on water efficiency;
- Shutting off the water supply to idling equipment and areas;
- Using dual flush toilet to reduce flushing water consumption; and
- Using water efficient products.

Through the water-saving measures, the Group aims to reduce absolute water consumption by 30% by the end of FY 2030, with FY 2020 as the base year. The Group has established a clear water efficiency plan centred on reducing consumption and optimizing resource use, as outlined in its Energy and Water Usage Policy. The Group has implemented practical water-saving measures, including the use of rainwater for bus cleaning at its manufacturing plant. Furthermore, the Group is continuously exploring further efficiency improvements in both operational and administrative processes. Oversight of these initiatives falls under the Administrative Department as part of the Group’s structured ESG Taskforce system, ensuring alignment with local regulations, ongoing monitoring of water usage data, and regular review of progress toward the 2030 target.

Indicator	Target type	FY 2020 baseline	FY 2025	FY 2030 Target
Water consumption	Absolute	33,763 m ³	21,030 m ³	To reduce absolute water consumption by 30% by the end of 2030



The Group exceeded the set target for its FY 2030 water consumption during the Reporting Period. The Board and the management have reviewed the progress of the above target, and have decided to revise the reduction target to be based on production unit intensity. Going forward, the new target shall be to reduce water consumption intensity by 10% by the end of FY 2035, with FY 2025 as the base year. The Group will continue to monitor closely the water consumption performance and review the necessity to implement additional water reduction initiatives.

Packaging Material

The Group avoids generating waste at source and strives to reduce the consumption of unnecessary packaging. Plastic bags, stretch films and cartons were used in the Manufacturing Plant during the Reporting Period. The overall packaging materials consumption intensity has risen by 59% due to increased volume of spare parts, which require packaging, sold during the Reporting Period. The consumption data is shown in the “Annex A. Environmental Performance Table”.

To reduce waste generation, the Group has targeted to reduce packaging materials consumption intensity (per production unit) by 20% by 2030, from FY 2024 baseline year.

Indicator	Target type	FY 2024 baseline	FY 2025	FY 2030 Target
Packaging materials consumption intensity	Relative	12.47 kg packaging material per production unit	19.87 kg packaging material per production unit	To reduce packaging materials consumption intensity by 20% by 2030, from FY 2024 base year.

The Group has fallen short of the set target for packaging materials consumption intensity reduction target during the Reporting Period. As mentioned above, this is mainly due to the increased volume of spare parts, which require further packaging for protection during transportation. The Board and the management have reviewed the progress made against the target, and have decided that the target will remain unchanged for further review.

A3. The Environment and Natural Resources

Significant Impacts of Activities on the Environment

The Group’s core business involves the design, manufacture, and assembly of bus bodies and buses – activities that inherently generate GHG and air emissions, as well as wastewater. In alignment with its strategic focus on sustainability and evolving market demands, the Group is committed to delivering distinctive and environmentally progressive solutions, particularly through the expansion of its electric bus product line, which supports zero-emission public transportation and meets growing customer interest in low-carbon alternatives.

To mitigate its environmental footprint, the Group has implemented structured green practices guided by specific policies, including the Greenhouse Gas Emission Control and Environmental Policy and Climate Change Policy. These are overseen by the dedicated ESG Taskforce, led by the Health and Safety Department, to monitor performance, track data, and implement action plans.



Beyond operational measures, the Group places strong emphasis on employee awareness and capability building in environmental protection. In addition to ISO 14001:2015 training provided during the Reporting Period, the Group conducts regular environmental-related training as part of its Greenhouse Gas Emission Control and Environmental Policy, ensuring that staff across all levels are equipped to contribute to the Group’s sustainability objectives. These training initiatives support the Group’s broader commitment to continuous improvement in ESG performance and adherence to recognized international frameworks.

A4. Climate Change

It is inevitable for the Group to face the risks derived from climate change. The Group has taken proactive steps in enhancing its preparedness and resilience to climate change. It has assessed and duly identified the climate-related risks that might pose significant impacts on its business operation and supply chain. The Group has also taken further steps to aligning its climate-related information disclosures with TCFD recommendations for this Reporting Period.

The Group has been investing additional resources to mitigate risks brought about by climate change and to explore opportunities related to climate change. External professional party has been engaged to identify climate-related risks and evaluate and prioritise the potential financial impact according to the recommendations of the TCFD. Supplemented by desktop research regarding the Group’s publications and international standards, ESG risks were identified by the Board and the top management during the risk assessment.

Governance

Overseen by the Executive Management Board, an ESG Taskforce has been established to be held accountable for climate risk assessment and management. The major responsibilities of the above parties are shown below.

	Roles and Responsibilities
The Board	– Steers and oversees the Group’s overall climate-risk strategy and management
	– Reviews and approves the climate-related disclosures
The Executive Management Board	– Oversees the implementation of the Group’s climate risk management strategy and monitors the overall Group’s sustainability performance
	– Sets and monitors the Group’s climate risks metrics and targets
	– Reviews climate-related strategy, policy and the progress of targets set
The ESG Taskforce	– Implements the Group’s climate risk management strategy, policy and initiatives
	– Monitors updates on regulatory requirements regarding climate-related issues
	– Collects and manages the Group’s climate-related data
	– Provides recommendations on climate-risk target setting and identifies improvements



Strategy

The Group understands that climate-related issues affect its businesses, strategy, and financial planning over the short, medium, and long term. The Group has therefore identified climate-related risks and opportunities it encounters over various time horizons. The identified climate risks are determined based on the assessment methodology explained in the next section “Risk Management”. Upon the identified risks, the Group has developed corresponding management approaches. While for climate-related opportunities, the Group has determined action plans to enhance its resilience to climate change.

The climate risks identified, their time horizon, trend, and the potential financial impacts affecting the Group are shown below.

	Climate Risks	Time horizon	Trend	Potential financial impact
Physical Risks	Acute	Long term	Increase	Extreme weather events with increased severity during cyclones, hurricanes, storm surges and floods can cause supply chain interruption by bringing damage to local infrastructure, potential damage to production plants and its machinery, and human resources disruption.
	Chronic			Longer-term shifts in climate patterns can increase capital costs, operating costs, costs of human resources and increased insurance premiums and potential for reduced availability of insurance on assets in locations with high exposure to natural disasters.
Transition Risks	Policy and Legal	Long term	Increase	Upon implementation of tightened environmental laws and the carbon pricing system, the Group will expect increased operating costs, increased costs resulting from fines and legal proceedings if non-compliance with newly implemented regulations occurs, and supply chain disruption or supply shortage if the carbon pricing system affects the metal markets. The Group will also expect a loss of fuel-propelled vehicle orders and increased demand for electric vehicles upon the tightening of policy on the potential phase out of fuel propelled public transport.



	Climate Risks	Time horizon	Trend	Potential financial impact
	Technology	Long term	Increase	During the transitional period, the Group expects reduced demand for diesel-propelled buses, increased research and development and/or procurement expenditures to introduce new and alternative technologies, and additional cost of adopting/deploying new practices and processes.
	Market	Short term	Increase	During the transitional period, the Group might face a decrease in revenue and product sales due to higher environmental requirements of clients, and loss of market share in the electric vehicle market and ultimately in the overall vehicle manufacturing/assembly market if no strategy has been set accordingly.
	Reputation	Short term	Increase	As principal bankers of the Group might include climate risks in their due diligence process, lending criteria are expected to be tightened. The Group will face additional barriers to securing loans in the future, affecting the Group's cash flow and liquidity if no strategy has been set accordingly. Stakeholders' concerns and negative news on climate-related issues might also dampen the investment sentiment of investors, impacting the stock price and market capitalisation of the Group, and hence increasing the liquidity risk.



With risks and uncertainties ahead, the Group has also explored climate-related opportunities to help it thrive amid the challenges. The following are the climate-related opportunities identified, their corresponding financial impacts and the Group’s action plan to grasp these opportunities.

Climate Opportunities	Description	Potential financial impact	Action plan
Markets	Manufacturing of electric buses	Increased revenues through access to new markets	Increase manufacturing of electric buses in Manufacturing Plant.
Resilience	Participation in renewable energy programmes and adoption of energy-efficiency measures	Cost saving on traditional utility expenses	The solar panel installation has been completed at the Manufacturing Plant. The Group will consider expanding the installation to maximise renewable energy generation.

Risk Management

An ESG risk assessment was conducted based on assessing the possibility and impact of each identified risk. Risks are then prioritised and classified into three risk levels: high, medium and low. The overall risk level was determined depending on the overall possibility and impact of the risks.

Risk levels	Definition of the overall risk levels
High	Risks at this level may have serious consequences. It is highly likely that there will be some impacts to the Group and hindrance for the Group to achieve strategic goals.
Medium	Risks at this level may have serious consequences, but they are less likely to occur. Conversely, the consequences could be minor in nature, but the probability of occurrence is higher.
Low	Risks at this level have limited harm and consequences for the Group to achieve its strategic goals, and the probability of occurrence is low.

The Group has identified in its risk profile a total of 49 risks, covering (1) external risks; (2) strategic risks; (3) operational risks; (4) people risks; and (5) legal and compliance risks. These risks were identified based on the environmental evaluations and external standards, including the ESG Reporting Guide and the Sustainability Accounting Standards Board (“**SASB**”) Standards.



The major climate physical and transition risks identified, their overall risk levels and the Group's management approach are shown below. The Group will prioritise resources to manage climate risks with high risk levels.

Climate risks		Overall risk level	Management Approach
Physical	Acute	High	<ul style="list-style-type: none"> – Diversify trading products – Explore business opportunities in more countries – Adjust procurement strategy to address impact of extreme weather along the supply chain
	Chronic		
Transition	Policy and Legal	Low	<ul style="list-style-type: none"> – Continuously monitor change of applicable climate policies and trends
	Technology	Medium	<ul style="list-style-type: none"> – Install solar system at the Manufacturing Plant to go towards low-carbon production – Working with Constellium, the Group's main supplier, to significantly reduce carbon intensity in aluminium production through responsible production and recycling, as well as investment in safer and more energy-efficient technologies
	Market and reputation	Low	<ul style="list-style-type: none"> – Shift more resources on electric vehicle market – Increase engagement with suppliers that provide recycled, certified-sustainable, or low-emission materials to help reduce upstream Scope 3 emissions and enhance material circularity

Physical risks are identified as the highest risk the Group will be facing. Following the climate change in the Group's operating regions over the years, the Hong Kong Office and the Manufacturing Plant of the Group in those locations are exposed to natural disasters including floods, cyclones and heatwaves. The Group has conducted an assessment based on geographical locations, changes in the local climate pattern and projected impact to better understand the extent of consequences during extreme weather events. Based on the assessment results, the Group has formulated a Disaster Recovery Plan to enhance resilience to human-made and natural disasters. The objectives of the plan include:

- To minimise interruptions to operations;
- To limit the extent of disruption and damage;
- To minimise the economic impact of the interruptions;
- To establish alternative means of operation in advance;
- To train personnel with emergency procedures; and
- To provide guidance for smooth and rapid restoration of service.



Metrics and Targets

To measure the level and impact of the Group’s climate-related risks, the Group monitors metrics and indicators to ensure an effective and quantitative assessment. The Group monitors and reviews its Scope 1, Scope 2, Scope 3 GHG emissions (in tCO₂eq.), total GHG emissions (in tCO₂eq.) and the GHG emission intensity (in tCO₂eq./production unit) regularly. The GHG emission data and targets set are shown in the section “GHG Emissions”.

B. SOCIAL PERFORMANCE

Responsible Employment

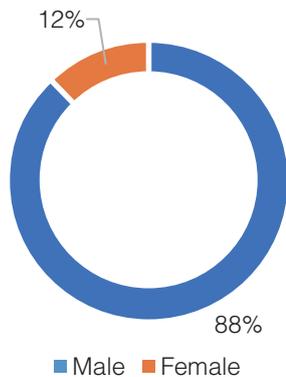
B1. Employment

The Group recognises employees are its greatest asset and commits to providing fair and open employment opportunities. The Group strictly complies with local laws and regulations, including but not limited to the Employment Ordinance (Cap. 57) of the Laws of Hong Kong and the Employment Act 1955 of the Laws of Malaysia. The Group did not note any cases of material non-compliance with laws and regulations regarding the Group’s employment and labour practices including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare for the Hong Kong Office and the Manufacturing Plant during the Reporting Period.

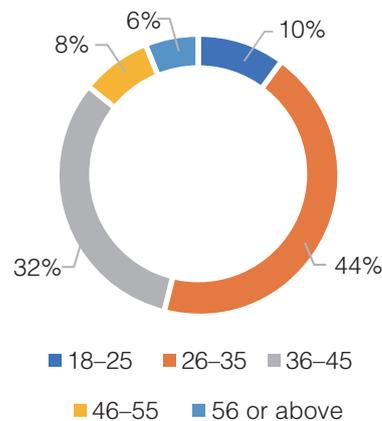
Workforce

The operation of the Hong Kong Office and Manufacturing Plant had a total number of 253 employees as of 31 October 2025, of whom 100% of the employees are full time and based in Malaysia². The tables below illustrate the detailed distribution of the workforce.

Workforce by Gender



Workforce by Age Group

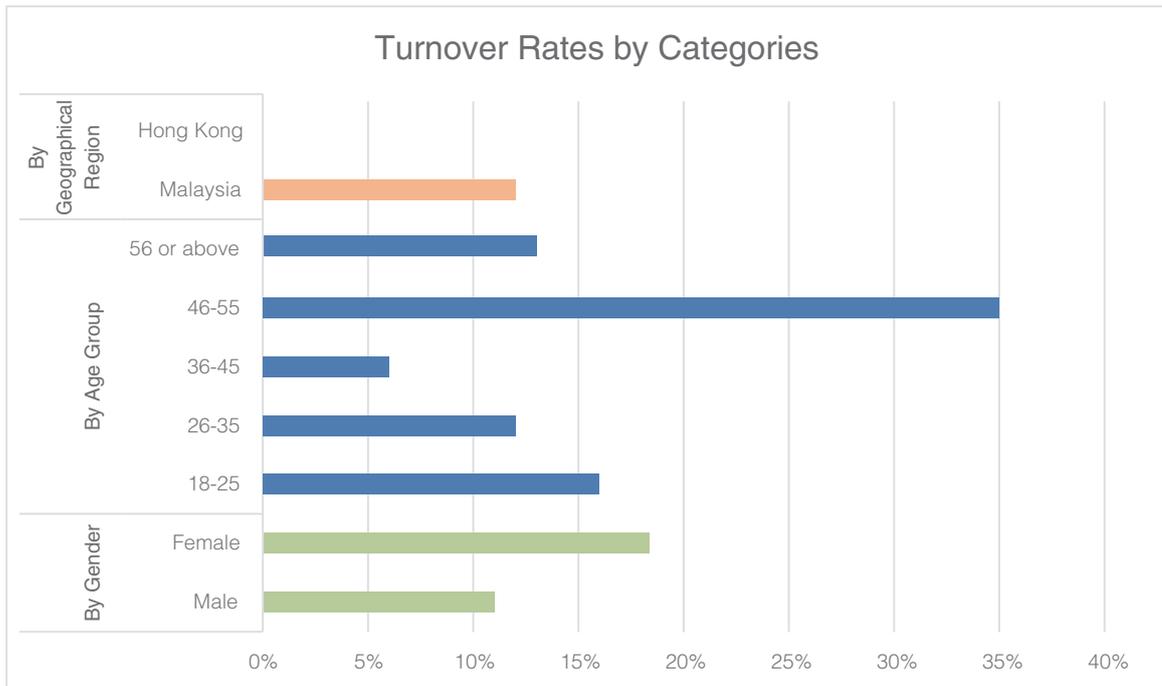


² One employee was based in Hong Kong during the Reporting Period, but it constituted 0% of the total employees.



Employee Turnover

A total of 31 employees left the Group during the Reporting Period, resulting in an overall turnover rate of 12%³. The turnover rates by gender, age group and geographical region are shown below⁴.



³ The overall turnover rate was calculated by (number of staff who left the Group during the Reporting Period/number of staff as of the end of the Reporting Period) x 100%.

⁴ The turnover rates by different categories were calculated by (number of staff in specific category who left the Group during the Reporting Period/number of staff in specific category as of the end of the Reporting Period) x 100%.



Recruitment, Promotion and Dismissal

The Group’s remuneration structure is designed to attract, retain, and motivate employees while ensuring compliance with all applicable laws. The package includes monthly base pay, overtime compensation, statutory benefits, claims, allowances (including travel and catering allowances for business trips), and incentive payments such as commissions and discretionary bonuses linked to individual and company performance. These practices align with the Group’s Human Resources Policies and Recruitment Procedures and adhere to local legal requirements, including minimum wage laws, mandatory social security and pension schemes, and regulations governing overtime pay. During the Reporting Period, the Group maintained full compliance in all compensation-related matters.

The Group adopts a 5.5-day work week in Malaysia and a 5-day work week in Hong Kong. The Group is committed to fair and merit-based career development, facilitated through a systematic annual performance appraisal process. This process evaluates employee performance, identifies training needs, and supports internal mobility and promotions based on merit, role suitability, and management approval, as outlined in the Group’s Policies on Equal Opportunity, Diversity, and Anti-discrimination. All terms and conditions of employment, including policies on promotion, transfer, and dismissal, are clearly documented in the employee handbook to ensure transparency and consistency.



Photo of talent search recruitment program held during the Reporting Period



Employee Welfare and Wellbeing

The Group values its team of professional and experienced employees and believes that a supportive and engaging workplace is essential for productivity and retention. In addition to offering rewarding career opportunities and structured development, the Group places a strong emphasis on employee wellbeing, inclusion, and a sense of belonging.

The Group promotes diversity and inclusiveness across its workforce, actively supporting employees from different backgrounds, and where feasible, providing facilities or adjustments to assist vulnerable groups, including persons with disabilities. To strengthen team cohesion, the Group organizes regular team-building activities, sports events, and CSR initiatives, which enhance camaraderie and reinforce shared values.

Employees are recognized through service awards based on seniority and receive company gifts on special occasions such as the birth of a child or hospitalization. Monthly birthday celebrations are held to foster a personal sense of appreciation. Furthermore, the Group hosts annual dinners, family days, or company trips to promote harmony and strengthen workplace relationships. These activities are part of the broader policies on community engagement, and reflect the Group's commitment to building a positive, connected, and motivated organizational culture.



Photo of birthday celebrations with employees during the Reporting Period



Photo of Chinese New Year celebration event during the Reporting Period



Photo of team building event during the Reporting Period



Photo of weekly badminton event, pickle ball and futsal during the Reporting Period



Photo of Annual dinner event during the Reporting Period



Photo of bowling tournament event during the Reporting Period

In addition to gazetted public holidays, eligible employees are entitled to a range of paid leaves, including annual leave based on seniority, sick leave, compassionate leave, maternity leave, and other statutory leave types. All leave entitlements and conditions are clearly defined in the employee handbook and individual employment contracts, ensuring transparency and compliance with local labor regulations.

The health and wellbeing of employees remain a top priority for the Group. Eligible staff have access to comprehensive medical benefits, covering outpatient, specialist, surgical, and hospitalisation treatments. To support overall mental and physical wellbeing, the Group actively promotes a healthy work-life balance and upholds policies to ensure tasks are completed within standard working hours wherever possible. Unnecessary overtime is discouraged, and any overtime work requires prior management approval and is duly compensated in accordance with legal requirements and the Group's compensation policies. These practices are reinforced through the Group's adherence to Policies on Equal Opportunity, Diversity, Anti-discrimination, and its commitment to providing a safe and supportive working environment.



Diversity and Inclusiveness

The Group is committed to fostering a diverse and inclusive workplace in full compliance with all applicable national and local laws and regulations. This includes adherence to key legislation such as the Disability Discrimination Ordinance (Cap. 487), Sex Discrimination Ordinance (Cap. 480), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602) in Hong Kong, and Article 8(2) of the Federal Constitution of Malaysia.

These commitments are formalized within the Group's Policies on Equal Opportunity, Diversity, and Anti-discrimination, which provide a clear framework for fair treatment in all aspects of employment, including recruitment, promotion, compensation, and professional development. The Group's anti-harassment policy strictly prohibits any form of harassment, particularly on the grounds of sex, religion, race, descent, or place of birth. Employees are encouraged to report suspected cases to the Human Resources Department or directly to management through established channels. All reports are investigated promptly, with appropriate remedial actions taken to ensure a safe and respectful work environment.

As an inclusive organization, the Group respects the freedom of religion and cultural practices of its employees. Dedicated prayer rooms are available at its workplace to accommodate religious observances, such as Friday Prayer. Furthermore, the Group actively supports employees from diverse backgrounds, including vulnerable groups, and strives to create an accessible and supportive environment, for example by considering workplace adjustments for persons with disabilities where feasible. These efforts are part of the Group's broader strategy to leverage diverse perspectives, enhance team cohesion, and strengthen organizational resilience in line with its social governance objectives.

B2. Health and Safety

The Group prioritises the safety, health, and wellbeing of its employees and is committed to maintaining a safe, healthy, and compliant workplace. This commitment is formalized in its Policy and Procedures on Occupational Safety and Health, which forms the backbone of the Group's integrated occupational health and safety ("**OHS**") management framework, compliant with statutory requirements and aligned with recognized best practices.

The system is structured around three key objectives: (1) to minimise occupational injuries and illnesses, (2) to foster an effective safety culture, and (3) to continuously improve the OHS management system. A comprehensive suite of health and safety practices is implemented across daily operations and is monitored by dedicated health and safety oversight personnel and departmental Task Forces, including the Health and Safety Department.

To ensure the ongoing effectiveness of safety measures, the management team, in collaboration with appointed safety officers, regularly reviews and revises safety plans and programs. Quarterly safety committee meetings are conducted to monitor site safety performance, review procedures, ensure regulatory compliance, communicate key safety risks, analyse incidents, and consult with employees on safety-related topics.



Health and Safety Management System

The Group maintains a detailed safety plan that outlines health and safety standards, equipment requirements, safe work practices, and emergency response procedures. This plan establishes a clear framework for OHS management and execution, defines roles and responsibilities across management levels, and is designed to meet the highest safety standards in all daily operations. Regular workplace inspections and hazard identification assessments are conducted to ensure compliance with legal standards for fire safety, equipment safety, electrical systems, ventilation, and ergonomics. All necessary licenses, certifications, and permits for equipment and operations are maintained as required by law. The plan is supported by the Policies and Records on Emergency Response, which ensure preparedness and structured incident management. Roles and responsibilities of various management personnel or bodies in the plan have been outlined below.

Senior Management	<ul style="list-style-type: none">- Ensures alignment of safety programmes and the Group's standards and values- Ensures compliance with local laws and regulations- Oversees the on-site health and safety management and supervision- Maintains effective intra-group communication- Reviews the incident reports regularly and carries out remedial actions in a timely manner if required
Management	<ul style="list-style-type: none">- Leads and directs the administration of workplace health and safety- Monitors all health and safety events- Investigates actual and potential health and safety incidents- Provides safety training for all employees- Ensures effective health and safety related communications- Reviews health and safety incident records and monitors the required appropriate actions
Safety Officer	<ul style="list-style-type: none">- Develops, implements and monitors the safety programmes- Establishes health and safety standards, responsibilities, policies and practices to ensure high performance in health and safety- Reviews and analyses health and safety data for strategy setting- Maintains close communication with local authorities



Hazard Identification and Mitigation

The Group conducts regular health and safety risk assessments to identify workplace hazards. It complies with regulations governing exposure limits to chemical, physical, and biological hazards, including noise, dust, fumes, and temperature. Based on assessment findings, mitigation measures such as engineering controls, safe operating procedures, and the provision of personal protective equipment (“**PPE**”) are implemented to minimize risks. The adequacy of PPE is regularly reviewed, and job-specific training needs are identified for frontline staff. Separate safety guidelines are issued for higher-risk processes. Where legally mandated, health surveillance (e.g., for work at heights, confined spaces, or hazardous substance use) is performed to monitor employee wellbeing. Additionally, the Group routinely examines exhaust ventilation systems and monitors airborne chemical concentrations in the Manufacturing Plant to ensure safe indoor air quality.

Fire Prevention

To minimise fire risks, the Group enforces policies on the storage of flammable materials and designates non-smoking zones in high-risk areas, including employee quarters and near flammable storage. The Disaster Recovery Plan includes measures to reduce fire exposure, outlines emergency action procedures, and specifies assembly points. Welding equipment is regularly inspected and maintained, and fire drills and related training are conducted periodically to ensure employee preparedness.

Incident Handling

A proactive safety culture is embedded in daily operations. All workplace incidents, including injuries, near misses, and dangerous occurrences, are documented and reported in accordance with legal notification thresholds. In the event of an emergency or work injury, the Group’s incident handling procedures provide clear guidance on roles, immediate actions, and control measures. All accidents are investigated by the safety officer through root-cause analysis, and corrective actions are implemented to prevent recurrence. Where needed, a return-to-work plan is developed to support the employee’s safe and gradual reintegration. Statutory records for accidents, training, and compliance checks are maintained in line with reporting regulations.

Health and Safety Training

The Group’s training program is comprehensive and regularly updated based on risk assessment outcomes. Mandatory safety training is provided to all employees, including induction programs for new hires and job-specific training for high-risk roles. Emergency response drills, such as fire evacuation and first-aid exercises, are conducted in compliance with regulatory requirements. Competency certifications (e.g., for machinery operation, chemical handling, or safety officer functions) are maintained as required by law. Training topics also include Corporate Compliance Updates, ISO 45001:2018 awareness, and Hazard Analysis, Risk Assessment, and Risk Control (“**HARAC**”) training. These initiatives are aligned with the Group’s Policies on Staff Training and are delivered to ensure all employees, including management, are equipped with the knowledge to maintain a safe working environment.



Health and Safety Data

There were no work-related fatality cases during the Reporting Period. The Group did not note any cases of material non-compliance with health and safety laws and regulations including but not limited to the Occupational Safety and Health Ordinance (Cap. 509) in Hong Kong, as well as the Occupational Safety and Health Act 1994 (OSHA 1994) and the Factories and Machinery Act with Regulation (FMA 1967) of the Laws of Malaysia during the Reporting Period.

Occupational Health and Safety Statistics	FY2025	FY2024	FY2023
Work-related fatality rate	0%	0%	0%
Work injury cases > 3 days	1	3	4
Work injury cases ≤ 3 days	3	0	0
Lost days due to work injury	21	25	23

The work injuries involved during the Reporting Period include body injuries due to lifting and falling objects. All injury cases have been investigated and followed up to avoid reoccurrence.

B3. Development and Training

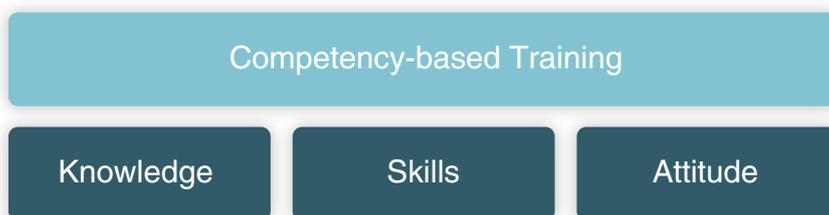
Cultivating knowledge, skills, and professional attitude is integral to the long-term development of employees and the sustainable growth of the Group. As such, the Group provides comprehensive training programs designed to support both employee success and organizational resilience. During the Reporting Period, employees participated in a wide range of courses including:

- Environmental & Compliance Training: Course for Certified Environmental Professional in Scheduled Waste Management, EHS Legal Requirements Understanding, and ISO9001, ISO14001, and ISO45001 Awareness & Internal Training
- Technical & Operational Skills: SOLIDWORKS Essentials Training, SOLIDWORKS Sheet Metals (Batch 1 & 2), 7 New QC Tools in Action, and Forklift Training
- Regulatory & Financial Updates: Budget 2025 – Key Updates and Changes for Corporate Accountants, SST EXPANSION AND E-INVOICING: Updates and Key Business Impact, 2026 Budget Seminar for Corporate Accountants, and Seminar Harmonised System (HS) Code (PDK 2022)
- Management & Professional Development: Strategic Stakeholder Engagement, Generative AI for Accounting and Finance Professionals, and FMM Supply Chain Webinar
- Health, Safety & Legal Awareness: First Aid Training, CePSWaM Field Training Report (FTR) Preparation Workshop, and Employer Responsibilities under Malaysia's Immigration and Labor regulations)



Training Approach

The Group’s Human Resources Department collaborates closely with all operational departments to systematically identify training needs and formulate aligned training plans. This process is guided by the Group’s Policies on Staff Training and employs a competency-based training framework aimed at enriching employees’ knowledge, skills, and professional attitudes. The ultimate goal is to enhance job efficiency, ensure role competency, and support career progression in line with the Group’s Human Resources Policies and Recruitment Procedures.



Training Delivery and Evaluation

Training outcomes are systematically evaluated post-program to ensure effectiveness. Employees who do not meet required standards receive follow-up training and support. The Group offers both on-the-job training and structured courses for new hires and existing staff, covering essential topics such as quality management, occupational health and safety, and management skills. These programs are designed to enhance industrial knowledge, strengthen soft skills, and prepare employees to adapt to evolving business and regulatory demands.

Training Performance Data

Through structured and evaluated learning initiatives, the Group not only invests in its people but also strengthens its operational capability, risk management, and commitment to sustainable and ethical business practices. The training performance data during the Reporting Period is shown below.

Training Data by Categories		Percentage of Trained Employees	Average Training Hours
Overall total		35%	7.36
By Gender	Male	30%	5.62
	Female	74%	19.87
By Employee Category	Senior management	100%	21.21
	Middle management	68%	17.06
	Frontline and other staff	16%	2.25

Compared to the previous reporting period, more resources have been allocated to training for frontline and general staff. The Group will continue to enhance such training in the future.



Photo of ISO Training for management during the Reporting Period



Photos of forklift and basic occupational first aider training during the Reporting Period



Photos of Fire Drill Training conducted during the Reporting Period

B4. Labour Standards

The Group strictly complies with the respective labour laws and regulations in its operating countries, including the Employment Ordinance (Cap. 57) in Hong Kong, and the Children and Young Persons (Employment) Act 1966 of Malaysia. Aligned with its Prohibition of Child Labor Policy and Prohibition of Forced Labor Policy, the Group is unequivocally committed to respecting fundamental labour rights and maintaining a workplace that is free from child labour, forced labour, human trafficking, and all forms of exploitative employment practices.

All forms of coercion, threats, or underage employment are strictly prohibited. To uphold these standards, the Group implements robust pre-employment screening measures. A comprehensive background check is conducted for all local and foreign job applicants to verify their eligibility and confirm they have reached the legal working age. During the recruitment process, original identification documents are verified to ensure compliance with both legal requirements and the Group's internal policies on preventing child and forced labour.

These practices are embedded within the broader framework of the Group's Human Resources Policies and Recruitment Procedures and are regularly reviewed to align with evolving regulations and international labour standards. The Group remains vigilant in monitoring employment practices across its operations and has established clear reporting and remediation procedures to address any potential violations, thereby reinforcing its commitment to ethical recruitment and fair labour practices.

If any child or forced labour is found in the Group's workplace, remedial actions will be carried out promptly. During the Reporting Period, the Group did not note any cases of material non-compliance with laws and regulations regarding labour standards.



Effective Value Chain

B5. Supply Chain Management

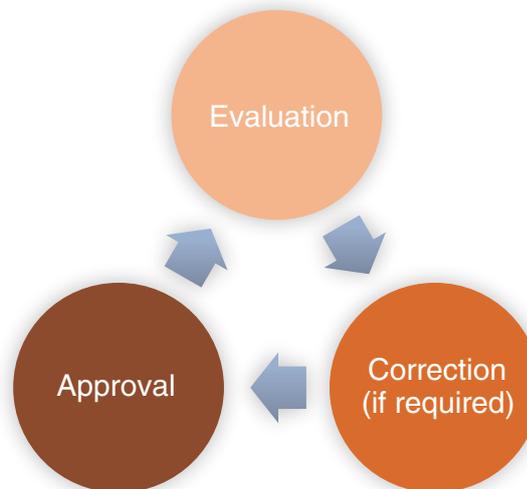
To ensure the delivery of reliable, responsible, and eco-friendly products, the Group adopts a collaborative and measurable approach to managing its supply chain. Beyond quality and reliability, the Group incorporates environmental and social criteria into its supplier selection process. This ensures alignment with the Group's ESG values and standards as outlined in the Supplier Code of Conduct on Environmental and Social Responsibility, and helps assess suppliers' ESG performance, thereby mitigating environmental and social risks across the value chain.

Selection and Management of Suppliers

The Group maintains a comprehensive supplier engagement framework covering due diligence, contractual compliance, ESG requirements, and active monitoring. This structured approach supports responsible sourcing, reduces operational risks, and promotes sustainable and ethical supply chain performance. The Procurement Department evaluates suppliers based on factors including industry type, product category, geographical risks, historical compliance performance, legal compliance history, certifications (e.g., ISO 14001, ISO 45001), licenses, and permits. Suppliers must confirm adherence to the Supplier Code of Conduct and all relevant regulatory requirements.

A fair and robust procurement approval mechanism ensures competitive pricing, quality service, and minimized conflict of interest. Suppliers are regularly assessed on quality, timeliness, and ESG performance, with corrective actions requested if non-conformities are identified. Major material suppliers are reviewed annually, while packaging and stationery suppliers are evaluated monthly. Only those consistently meeting the Group's criteria remain on the approved supplier list.

The continuous monitoring process of suppliers is shown below.



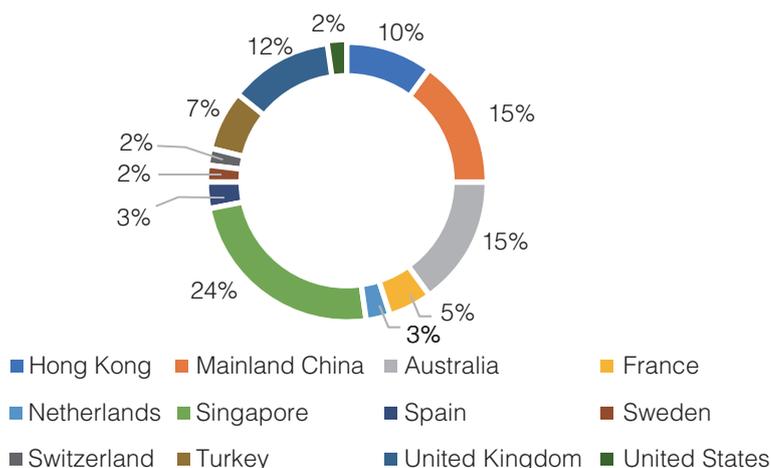


The Group formulates a set of supply chain objectives to ensure effectiveness of its supply chain annually. The Group is pleased to announce that all objectives have been fulfilled during the Reporting Period.

Objectives	Target	Attainment ⁵	Status
Supplier Performance			
On time delivery	>95%	99.0%	Achieved
Quality achievement	>95%	98.9%	Achieved

During the Reporting Period, there was no major change in policies on managing environmental and social risks of the supply chain. The Group has engaged a total of 41 key suppliers, the majority of the supplies come from Singapore, Mainland China and Australia, which mainly provide hardware and accessories for manufacturing. The distribution of key suppliers by geographical region is shown below.

Distribution of Key Suppliers by Geographical Region



Responsible Procurement

Environmental and social factors are prioritized during supplier selection. The Group avoids procurement that results in significant environmental harm or social costs and defines environmentally preferable products as those causing minimal adverse environmental and human health impacts. The Group actively seeks high-quality, competitively priced sustainable products and services, with ESG performance integrated into the annual supplier evaluation.

⁵ The attainment data are based on average attainment figures during the Reporting Period.



To uphold environmental and social standards, major suppliers are required to acknowledge and comply with the Supplier Code of Conduct, which sets clear expectations on business ethics, labour standards, environmental protection, occupational safety, and human rights. This practice is monitored by the Quality Control Department, as assigned under the Group's ESG Taskforce structure.

During the Reporting Period, the Group fulfilled all its annual supply chain objectives, and all approved suppliers complied with the Supplier Code of Conduct.

B6. Product Responsibility

One of the Group's missions is to constantly strive for the greatest customer satisfaction. For more than three decades, the Group is trusted by its customers and business partners from all over the world. The Group is committed to delivering the best products that meet customers' expectations. During the Reporting Period, the Group did not note any cases of material non-compliance with laws and regulations regarding health and safety, advertising, labelling and privacy matters relating to products and services provided.

Quality Management System

The Group's quality management system is certified with ISO 9001:2015 quality management system. Apart from meeting statutory and regulatory requirements, the Group goes the extra mile in meeting customers' and stakeholders' expectations on product quality.

Each year, the Group formulates a set of quality objectives regarding product quality and delivery. It works with the quality control team and employees to achieve those targets. The Group is pleased to announce that it has fulfilled the quality objectives set on product delivery and timeliness for the Reporting Period. The Group will continuously evaluate and make necessary improvements in production and quality control to achieve zero product recalls.

During the Reporting Period, the Group has organised training regarding ISO 9001, ISO 14001, and ISO 45001 for employees.

Objectives	Target	Attainment ⁶	Status
Warehouse Operation			
Instances of wrong delivery to customers	<5	0	Achieved
Production and Quality Control			
Instances of recall campaigns	0	0	Achieved
On-time delivery to customers	100%	100%	Achieved

⁶ The attainment data of instances of wrong delivery to customers and recall campaigns are the aggregate figure of the respective figures during the Reporting Period, whereas that of on-time delivery to customers is based on the average attainment figures during the Reporting Period.



Quality Assurance

The Group's quality assurance procedures are designed to meet the requirements of the United Nations regulations on motor vehicles, ensuring product safety and reliability. A stringent quality assurance system is implemented throughout the entire production cycle, from project planning to product design and development. The Group's product designs comply with all applicable regulatory and safety standards in various markets, including the Directive 2007/46/EC of the European Parliament and Council, as well as the legal, safety, and disability standards of Australia. These practices are formalized under the Product Quality Control Policy and Procedures (ESG.B.6), overseen by the Quality Control Department. Should any product fail to meet quality standards, the Group will proactively implement recall procedures. During the Reporting Period, no products were recalled for safety or health reasons.

Customer Satisfaction

To ensure products meet customer expectations, the Group actively solicits feedback and has established clear channels for suggestions and complaints. The Company maintains comprehensive policies to ensure high-quality customer service, effective handling of enquiries, and a fair, transparent, and timely complaint resolution process. Customers are invited to complete satisfaction surveys following product delivery, providing insights into product and service quality. All feedback is reviewed by management to drive continuous improvement and uphold customer trust. The Group maintains an effective complaint-handling mechanism to address customer concerns fairly and promptly. During the Reporting Period, no product or service-related complaints were received.

Data Privacy

The Group's principle of data collection ensures that information collected from its customers is endorsed by legitimate reasons and legal grounds. All customer data is securely stored in the system and server and can only be retrieved by authorised personnel. Guidance on data security and security check and vetting has been formulated in the employee handbook to enhance the protection of such data. The Group also signs non-disclosure agreements with the key customers. The Group strictly abided by the laws and regulations regarding data privacy, including Personal Data (Privacy) Ordinance (Cap. 486) in Hong Kong and the Personal Data Protection Act of the Laws of Malaysia.

The employees of the Group have pledged to maintain confidentiality at all times and not to divulge or disclose confidential information to external parties. Extra care will be taken by the Human Resources and Administration Department to ensure that only the authorised personnel within and outside the Group may view or obtain active or inactive employee records. Employees who breached the terms regarding confidentiality information in the employee handbook will be subject to disciplinary actions. No substantiated complaint regarding a breach of client privacy, identified leak, theft, or loss of customer information was received during the Reporting Period.

Intellectual Property

The Group understands that intellectual property ("IP") rights protect innovation and its brand. It possesses registered designs in its operation and conduct IP rights searches before creating new designs. The Engineering Department and the management ensures that the Group complies with applicable laws and regulations relating to intellectual property protection. The Group spares no effort in protecting and respecting IP rights.



B7. Anti-corruption

The Group maintains long-standing relationships with its customers and business partners based on integrity and strict adherence to business ethics. The Group observes all applicable legal and ethical standards, including the Prevention of Bribery Ordinance (Cap. 201) of Hong Kong and the Malaysian Anti-Corruption Commission Act 2009. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees, and no cases of non-compliance with laws and regulations relating to bribery, extortion, fraud, and money laundering were identified.

Anti-corruption Policy

The Group's anti-corruption framework is anchored by a Code of Conduct and Ethics Policies outlining expected standards of behaviour, anti-corruption principles, and conflict-of-interest requirements. These are formalized under the Policies on Prevention of Bribery, Extortion, Fraud and Money Laundering, which explicitly prohibit bribery, kickbacks, misappropriation of assets, falsification of documents, and any deceptive conduct. To enforce these standards, the Group has implemented strong internal controls, including segregation of duties, defined approval authorities, and comprehensive audit trails embedded across financial and operational processes. These measures require strict segregation of duties, approval procedures, financial controls, and accurate record-keeping to mitigate risks and ensure accountability.

Periodic risk assessments and internal reviews are conducted to identify control gaps and strengthen preventive measures. These anti-corruption measures are overseen by the Human Resources Department under the Group's ESG Taskforce structure, ensuring consistent implementation, monitoring, and review. The Board maintains ultimate responsibility for governance related to anti-corruption and ethical business practices, with regular updates provided through management reporting.

Whistle-blowing Policy

Employees are encouraged to report any non-conformity or violation of the anti-bribery and corruption policy in writing to the management directly, or to the dedicated response team. All cases will be investigated in a timely and confidential manner and the personnel who are involved in whistleblowing will be protected. This mechanism supports transparency and accountability within the organisation.

Anti-corruption Training

The Group conducts regular compliance training to ensure all employees understand legal obligations, ethical expectations, and reporting procedures. Mandatory anti-corruption and fraud prevention training is provided to all employees and directors to strengthen awareness and reduce fraud-related risks. The Group believes it is essential to deliver ongoing awareness and refresher sessions to embed a culture of integrity. During the Reporting Period, 32% of the Company directors and the Group's employees had participated in a 1-hour anti-corruption training or had read relevant materials on anti-corruption.



B8. Community Investment

Donations

The Group donated a total of approximately US\$11,000 cash to various focus areas including charity, education, community support, sports, and sponsorship. The major contributions of the Group during the Reporting Period are summarised in the table below.

Focus Area of Contribution	Beneficiary	Donations Contributed (in USD)
Charity	Kwong Siew Heritage Gallery (Kwong Siew Wai Kuan Johore Bahru)	500
	Happiness Centre (Pusat Kanak-Kanak Terencat Akal Bahagia)	700
	Yunfu Shang Hui Malaysia Organization (Pertubuhan Yunfu Shang Hui Malaysia)	1,200
Education	Kolej Universiti Selatan (Southern University College)	600
Community Support	Donation Contribution towards Construction of Surau (Mosque) for Port of Tanjung Pelepas	500
	Junior Chamber International Beach Cleaning	1,200
Sports	Johor Golf & Country Club Golf Tournament and Dinner 2025	300
	Southern University Collage 916 Golf Tournament	2,300
Sponsorship	Area South Silver	200
	Junior Chamber International Sustainable Development Award	300
	2025 Junior Chamber International Austin Perdana Installation & Awards Banquet	300
	Persatuan Pengusaha Bas Ekspres Melayu Semenanjung Malaysia (Peninsular Malaysia Malay Express Bus Operators Association)	700
	Junior Chamber International South Key	2,300



Beach Clean-up Event

During the Reporting Period, the Group has continued its participation in the transformative Beach Clean-Up event, leaving a positive impact on our coastal environment. This initiative was made possible through a powerful partnership with JCI Austin Perdana and collaboration with the esteemed Malaysia Nature Society (MNS). Together, the Group and the organisations united under a common mission to preserve and protect our natural treasures. The event not only exemplified the Group’s commitment to corporate social responsibility but also showcased the strength of collective efforts in fostering a cleaner and healthier planet. The Group extends its gratitude to all participants, partners, and supporters who contributed to making this beach clean-up a resounding success, paving the way for a brighter, more sustainable future.

As part of the Group commitment to positive community engagement and environmental awareness, Gemilang Coachwork supported the “Program Pontian Dihatiku Kempen Bersih Pantai (Beach Cleanup Event)”, organised by Junior Chamber International (JCI) in collaboration with the Majlis Perbandaran Pontian. The programme actively involved local stakeholders, including community members and schools around Pontian, in cleaning coastal areas at Laman Diraja Pontian. Through this initiative, the Group provided financially support as one of the main sponsors, reinforcing its commitment to supporting community-led environment programme. By engaging with local community, the programme encourage collective action in maintaining a clean and sustainable coastal environment, contributing to the overall well-being of the local community.





Photos of the Beach Clean-up Event during the Reporting Period



ANNEX A. ENVIRONMENTAL PERFORMANCE TABLE

Below is the environmental performance table of the Group during the Reporting Period, with a comparison to the previous reporting period.

	Unit	FY 2025	FY 2024
Air emissions			
Nitrogen oxides (“NO _x ”)	kg	4,968	2,094
Sulphur oxides (“SO _x ”)	kg	1.94	1.87
Particulate matter (“PM”)	kg	363.64	206.25
Energy consumption¹			
Petrol consumption (mobile combustion)	Litres	53,603.00	55,585.85
	MWh	519.49	538.70
Diesel consumption (mobile combustion)	Litres	71,779.00	65,328.37
	MWh	768.27	699.22
Purchased electricity (indirect energy consumption)	MWh	688.13	627.41
Total energy consumption (excluding renewable energy consumption)	MWh	1,975.89	1,865.34
Total energy intensity (excluding renewable energy consumption)	MWh per production unit	7.51	10.54
Renewable energy generated	kWh	502,676	539,654
Total energy consumption (including renewable energy consumption)	MWh	2,478.56	2,404.99
Total energy intensity (including renewable energy consumption)	MWh per production unit	9.42	13.59
GHG emissions			
Scope 1	tCO ₂ e	331.83	319.56
Scope 2	tCO ₂ e	383.36	342.12
Scope 3	tCO ₂ e	6.05	61.91
Total GHG emissions	tCO ₂ e	721.23	723.58
GHG emission intensity	tCO ₂ e per production unit	2.74	4.09
Water consumption			
Total water consumption	m ³	21,030.00	31,847.00
Water consumption intensity	m ³ per production unit	79.96	179.93
Waste			
Scheduled (hazardous) waste	Tonne	8.07	4.99
Scheduled waste intensity	kg per production unit	30.70	28.18
Non-scheduled (general) waste	Tonne	44.00	54.00
Non-scheduled waste intensity	Tonne per production unit	0.167	0.305



	Unit	FY 2025	FY 2024
Materials Consumption			
Paper consumption	Tonne	0.69	0.81
Paper recycled	Tonne	0.69	0.81
Packaging materials consumption	Tonne	5.23	2.21
– Plastic Bags	Tonne	0.11	0.08
– Stretch films	Tonne	1.39	0.57
– Cartons	Tonne	3.73	1.56
Packaging materials consumption intensity	Tonne per production unit	0.020	0.012

Note:

1. The energy consumption of diesel and petrol were calculated with conversion units provided by the Energy Statistics Manual from the International Energy Agency.



ANNEX B. ESG REPORTING GUIDE INDEX

General Disclosures and KPIs	Description	Section(s)
Environmental		
Aspect A1: Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A. Eco-friendly Operations
KPI A1.1	The types of emissions and respective emissions data.	A1. Emissions – Air Emissions, Annex A. Environmental Performance Table
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity.	A1. Emissions – Greenhouse Gas Emissions, Annex A. Environmental Performance Table
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	A1. Emissions – Scheduled and Non-Scheduled Wastes, Annex A. Environmental Performance Table
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	A1. Emissions – Scheduled and Non-Scheduled Wastes, Annex A. Environmental Performance Table
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	A1. Emissions – Emission Reduction and Targets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	A1. Emissions – Wastes Handling, Reduction Initiatives and Targets
Aspect A2: Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A2. Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	A2. Use of Resources – Energy and Water Consumption, Annex A. Environmental Performance Table
KPI A2.2	Water consumption in total and intensity.	A2. Use of Resources – Energy and Water Consumption, Annex A. Environmental Performance Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A2. Use of Resources – Energy Efficiency and Targets
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	A2. Use of Resources – Energy and Water Consumption
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	A2. Use of Resources – Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	A3. The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3. The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	A4. Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	A4. Climate Change – Strategy, A4. Climate Change – Risk Management, A4. Climate Change – Metrics and Targets



General Disclosures and KPIs		Description	Section(s)
Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Responsible Employment – B1. Employment	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Responsible Employment – B1. Employment – Workforce	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Responsible Employment – B1. Employment – Employee Turnover	
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Responsible Employment – B2. Health and Safety	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Responsible Employment – B2. Health and Safety – Health and Safety Data	
KPI B2.2	Lost days due to work injury.		
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Responsible Employment – B2. Health and Safety	
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Responsible Employment – B3. Development and Training – Training Approach	
KPI B3.1	The percentage of employees trained by gender and employee category.	Responsible Employment – B3. Development and Training – Training Performance Data	
KPI B3.2	The average training hours completed per employee by gender and employee category.		
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	Effective Value Chain – B4. Labour Standards	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		
KPI B4.2	Description of steps taken to eliminate such practices when discovered.		



General Disclosures and KPIs	Description	Section(s)
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Effective Value Chain – B5. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Effective Value Chain – B5. Supply Chain Management – Responsible Procurement
KPI B5.2	Description of practices relating to engaging supplies, number of supplies where the practices are being implemented, how they are implemented and monitored.	Effective Value Chain – B5. Supply Chain Management – Selection and Management of Suppliers, Responsible Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6. Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6. Product Responsibility – Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	B6. Product Responsibility – Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B6. Product Responsibility – Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	B6. Product Responsibility – Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	B6. Product Responsibility – Data Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B7. Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	B7. Anti-corruption – Whistle-blowing Policy
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7. Anti-corruption – Anti-corruption Training
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B8. Community Investment
KPI B8.1	Focus areas of contribution.	
KPI B8.2	Resources contributed to the focus area.	



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GEMILANG INTERNATIONAL LIMITED

彭順國際有限公司

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Gemilang International Limited (“**the Company**”) and its subsidiaries (“**the Group**”) set out on pages 116 to 202, which comprise the consolidated statement of financial position as at 31 October 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 October 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSA**s”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (“**the Code**”), and we have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 October 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 17 January 2025.

KEY AUDIT MATTERS

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



KEY AUDIT MATTERS (Continued)

Valuation of inventories

Refer to Note 17 to the consolidated financial statements and the accounting policies on Note 2(m) to the consolidated financial statements.

The Key Audit Matter

How the matter was addressed in our audit

We identified the valuation of inventories as a key audit matter due to the significance of the balance to the consolidated financial statements, together with the significant degree of management judgement involved in evaluating the net realisable value for inventories.

Inventories are carried at the lower of cost and net realisable value in the consolidated financial statements. As at 31 October 2025, the net carrying value of inventories was US\$28,748,000.

Management determines the lower of cost and net realisable value of inventories by considering the current market conditions, inventory obsolescence, latest selling prices of raw materials, work-in-progress and finished goods.

Our audit procedures in relation to valuation of inventories included:

- Obtaining an understanding of procedures taken by management to estimate the net realisable value for inventories and the respective basis of inventory provision policy adopted by the Group;
- Comparing the purchase prices of inventories with supplier invoices on a sample basis;
- Challenging the key assumptions concerning overhead absorption by assessing the cost of items included in the overhead absorption calculations on a sample basis;
- Testing the accuracy of the ageing profile of each individual inventory items by checking the goods receipt notes for raw materials or relevant documents for work-in-progress and finished goods on a sample basis;
- Comparing, on a sample basis, the subsequent selling price of the inventories including raw materials, work-in-progress and finished goods to their carrying values of these inventories as at the financial year end; and
- Performing the physical inspection and checking the conditions of selected samples of inventories including raw materials, work-in-progress and finished goods.



KEY AUDIT MATTERS (Continued)

Recoverability of trade and other receivables

Refer to Notes 18 and 31(a) to the consolidated financial statements and the accounting policies on Notes 2(k) and 2(n) and to the consolidated financial statements.

The Key Audit Matter

How the matter was addressed in our audit

We identified recoverability of trade and other receivables as a key audit matter due to the significance of the balances to the consolidated financial statements, together with the significance of management's judgements and estimates applied in assessing the amount of expected credit loss at the reporting date.

As at 31 October 2025, the Group had trade receivables of US\$4,080,000, with a provision for impairment of US\$558,000, and other receivables of US\$4,341,000, with a provision of US\$3,724,000. Trade and other receivables are measured at amortised cost less allowance for impairment in the consolidated financial statements.

The management measures loss allowance on trade receivables at amounts equal to lifetime expected credit losses. Expected credit losses ("ECL") on trade receivables are estimated using a provision matrix which involves significant management judgement in estimating the expected loss rate based on historical credit loss experience, adjusting factors that are specific to the debtors and assessment of both current and forecast general economic conditions.

For other receivables, the management identify balances with objective evidence of impairment, and individual provision was made based on the ECL model which involves significant judgments and assumptions including:

- Selection of appropriate model and determination of relevant key measurement parameters, including probability of default, exposure at default and forward-looking adjustment factors; and
- Criteria for determining whether or not there was a significant increase in credit risk or default.

Our audit procedures included:

- Obtaining an understanding of and evaluating the Group's credit policies and methodology for impairment assessment in relation to the application of ECL model;
- Testing the completeness and accuracy of a selection of input data used in the ECL model;
- Engaging our internal valuation specialists to assist us in evaluating the methodologies and key valuation parameters used by the independent external valuer in the calculation of ECL;
- Evaluating the reasonableness of the forward-looking adjustments made to reflect the current and forecast general economic condition against public available information;
- Evaluating the experience, independence and competence of the external valuer engaged by the management; and
- Checking the adequacy of related disclosure in the consolidated financial statements.



INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises all the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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 OF THE COMPANY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 consolidated financial statements.



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements 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 purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 Audit Committee 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.



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

The engagement partner on the audit resulting in this independent auditor's report is Kwan Chi Fung.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Kwan Chi Fung

Practising Certificate Number: P06614

Hong Kong

23 January 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income



For the year ended 31 October 2025
(Expressed in United States dollars)

	Notes	2025 US\$'000	2024 US\$'000
Revenue	5	25,973	22,956
Cost of sales		(21,460)	(18,751)
Gross profit		4,513	4,205
Other income	6	14	1,394
Selling and distribution expenses		(570)	(632)
Net allowance for impairment losses on trade and other receivables		(67)	(1,555)
General and administrative expenses		(3,648)	(3,173)
Profit from operations		242	239
Finance costs	7(a)	(480)	(753)
Loss before taxation	7	(238)	(514)
Income tax expense	11	(200)	(517)
Loss for the year		(438)	(1,031)
Other comprehensive income for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		677	1,240
Total comprehensive income for the year		239	209
Loss for the year attributable to:			
Owners of the Company		(430)	(1,027)
Non-controlling interests		(8)	(4)
		(438)	(1,031)
Total comprehensive income (loss) for the year attributable to:			
Owners of the Company		247	213
Non-controlling interests		(8)	(4)
		239	209
Loss per share (US cent)	12		
– Basic		(0.16)	(0.41)
– Diluted		(0.16)	(0.41)

The notes on pages 122 to 202 form part of these consolidated financial statements.



Consolidated Statement of Financial Position

As at 31 October 2025
(Expressed in United States dollars)

	Notes	2025 US\$'000	2024 US\$'000
Non-current assets			
Property, plant and equipment	13	6,811	6,478
Intangible assets	15	322	309
Interest in a joint venture	16	—	—
Deposit paid for acquisition of a subsidiary	18(b)	330	330
		<u>7,463</u>	<u>7,117</u>
Current assets			
Inventories	17	28,748	14,980
Trade receivables	18(a)	3,522	5,041
Deposits, prepayment and other receivables	18(b)	6,339	4,362
Tax recoverable	27(a)	624	361
Financial assets at fair value through profit or loss	19	64	2,391
Pledged bank deposits	21	20	132
Cash at banks and on hand	22	1,956	659
		<u>41,273</u>	<u>27,926</u>
Current liabilities			
Trade and other payables	23	14,691	6,772
Contract liabilities	20	7,164	3,903
Bank loans and overdrafts	24	11,369	6,670
Lease liabilities	25	59	35
Convertible bonds	26	—	3,586
Provision for taxation	27(a)	—	16
		<u>33,283</u>	<u>20,982</u>
Net current assets		<u>7,990</u>	<u>6,944</u>
Total assets less current liabilities		<u>15,453</u>	<u>14,061</u>



As at 31 October 2025
(Expressed in United States dollars)

	<i>Notes</i>	2025 US\$'000	2024 US\$'000
Non-current liabilities			
Lease liabilities	<i>25</i>	99	68
Deferred tax liabilities	<i>27(b)</i>	168	35
		267	103
Net assets			
		15,186	13,958
Capital and reserves			
Share capital	<i>30</i>	356	324
Reserves		14,867	13,663
Total equity attributable to owners of the Company			
		15,223	13,987
Non-controlling interests			
		(37)	(29)
		15,186	13,958

Approved and authorised for issue by the board of directors on 23 January 2026.

Pang Chong Yong
Director

Yik Wai Peng
Director

The notes on pages 122 to 202 form part of these consolidated financial statements.



Consolidated Statement of Changes in Equity

For the year ended 31 October 2025
(Expressed in United States dollars)

Attributable to equity owners of the Company

	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000	Exchange reserve US\$'000	Share option reserve US\$'000	Convertible bonds reserve US\$'000	Retained earnings US\$'000	Equity attributable of the owners of the Company US\$'000	Non-controlling interests US\$'000	Total US\$'000
At 1 November 2023	324	7,173	679	(2,547)	367	1,031	6,722	13,749	-	13,749
Changes in equity for 2023/2024:										
Loss for the year	-	-	-	-	-	-	(1,027)	(1,027)	(4)	(1,031)
Other comprehensive loss for the year										
Exchange difference on translation of financial statements of foreign operations	-	-	-	1,240	-	-	-	1,240	-	1,240
Total comprehensive income for the year	-	-	-	1,240	-	-	(1,027)	213	(4)	209
Lapse of share options (note 28)	-	-	-	-	(6)	-	6	-	-	-
Deemed disposal of interest in a subsidiary without losing control (note 14)	-	-	-	-	-	-	25	25	(25)	-
At 31 October 2024	324	7,173*	679*	(1,307)*	361*	1,031*	5,726*	13,987	(29)	13,958
At 1 November 2024	324	7,173	679	(1,307)	361	1,031	5,726	13,987	(29)	13,958
Changes in equity for 2024/2025:										
Loss for the year	-	-	-	-	-	-	(430)	(430)	(8)	(438)
Other comprehensive income for the year										
Exchange difference on translation of financial statements of foreign operations	-	-	-	677	-	-	-	677	-	677
Total comprehensive income for the year	-	-	-	677	-	-	(430)	247	(8)	239
Issue of conversion of shares by convertible bonds	32	1,988	-	-	-	(1,031)	-	989	-	989
Lapse of share options (note 28)	-	-	-	-	(2)	-	2	-	-	-
At 31 October 2025	356	9,161*	679*	(630)*	359*	-*	5,298*	15,223	(37)	15,186

* These reserve accounts comprise consolidated reserves of approximately US\$14,867,000 (2024: US\$13,663,000) in the consolidated statement of financial position.

The notes on pages 122 to 202 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows



For the year ended 31 October 2025
(Expressed in United States dollars)

	Notes	2025 US\$'000	2024 US\$'000
Operating activities			
Loss before taxation		(238)	(514)
Adjustments for:			
Net allowance for impairment losses on trade and other receivables	7(c)	67	1,555
Provision (Reversal) for write down of inventories	17	23	(296)
Depreciation			
– Owned property, plant and equipment	7(c)	308	326
– Right-of-use assets	7(c)	44	29
Gain on disposal of property, plant and equipment	6	(2)	(2)
Gain on disposal of land held for sale	6	–	(588)
(Gain) Loss on disposal of listed securities	6	(3)	17
Gain on fair value change on financial assets at fair value through profit or loss (“FVPL”)	6	(5)	(400)
Dividend income	6	(2)	–
Interest expenses	7(a)	480	753
Interest income	6	(1)	(195)
Operating cash flows before movements in working capital		671	685
Increase in inventories		(12,829)	(1,574)
Decrease (Increase) in trade receivables		1,604	(924)
Increase in deposits, prepayment and other receivables		(1,739)	(593)
Increase in trade and other payables		7,496	1,355
Increase (Decrease) in contract liabilities		2,995	(98)
Cash used in operations		(1,802)	(1,149)
Income tax paid		(335)	(312)
Net cash used in operating activities		(2,137)	(1,461)
Investing activities			
Acquisition of property, plant and equipment		(312)	(371)
Purchase for financial assets at FVPL		(8)	(245)
Proceeds from disposal of financial assets at FVPL		68	110
Interest received		1	195
Proceeds from disposal of property, plant and equipment		2	2
Dividend income		2	–
Proceeds from disposal of land held for sale		–	4,151
Net cash (used in) generated from investing activities		(247)	3,842



Consolidated Statement of Cash Flows

For the year ended 31 October 2025
(Expressed in United States dollars)

	2025	2024
<i>Note</i>	US\$'000	US\$'000
Financing activities		
Proceeds from bank borrowings	13,223	6,334
Decrease in pledged bank deposits	115	413
Repayment of bank borrowings	(8,919)	(7,399)
Interest expenses paid	(794)	(487)
Capital element of lease rentals paid	(44)	(33)
Interest element on lease rentals paid	(7)	(5)
Net cash generated from (used in) financing activities	3,574	(1,177)
Net increase in cash and cash equivalents	1,190	1,204
Effects of foreign exchange translation	71	(197)
Cash and cash equivalents at beginning of the year	(1,669)	(2,676)
Cash and cash equivalents at end of the year	(408)	(1,669)
<i>22(a)</i>		

The notes on pages 122 to 202 form part of these financial statements.



For the year ended 31 October 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability. The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Hong Kong is located at Room 1102, Tower 1, Ever Gain Plaza, 88 Container Port Road, Kwai Chung, Hong Kong. The principal place of business in Malaysia is located at Ptd 42326, Jalan Seelong, Mukim Senai 81400 Senai, Johor, West Malaysia.

The principal activity of Company is investment holding. The principal activities of its principal subsidiaries are set out in note 14.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). Material accounting policy information adopted by the Group are disclosed below.

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards which are mandatorily effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 October 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in a joint venture.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- investment in equity securities;
- derivative financial instruments

Items included in the consolidated financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The functional currency of the Company is Hong Kong dollars (“**HK\$**”) whereas the consolidated financial statements are presented in United States dollars (“**US\$**”), rounded to the nearest thousand, unless otherwise stated, which the management of the Group considered is more appropriate for users of the consolidated financial statements.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have a significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 4.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(c) New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of controls.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Joint ventures (Continued)

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The financial statements of a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the joint venture's accounting policies to those of the Group. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted to recognise the Group's post-acquisition share of the profit or loss and other comprehensive income of the joint venture and any impairment loss relating to the investment. At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition date excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment (after reassessment) is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the any more long-term interests that in substance form part of the Group's net investment in the joint venture after applying the expected credit loss model to such other long-term interests where applicable.

Unrealised profits and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would have been required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries and joint ventures, are set out below:

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. All regular way purchases or sales of equity securities are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of equity securities that require delivery of assets within the time frame established by regulation or convention in the market place. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 31(f). These investments are subsequently accounted for as follows, depending on their classification.

An investment in equity security is classified as financial assets at FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at fair value through other comprehensive income ("**FVOCI**") (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such election is made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividends from an investment in equity security, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(v)(iv), unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets at FVPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the other income/other gains and losses line item, unless the dividends clearly represent a recovery of part of the cost of the investment.

(g) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(h) Property, plant and equipment and depreciation

The following items of property, plant and equipment, other than freehold land, are stated at cost less any accumulated depreciation and impairment losses:

- interests in leasehold land and buildings where the Group is the registered owner of the property interest;
- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and
- items of property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment.

Depreciation is calculated to write off the cost of items of property, plant and equipment, other than building in progress, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Buildings	2%
Plant and machinery	10% to 15%
Tools and equipment	10%
Motor vehicles	20%
Furniture, fittings and office equipment	10% to 25%

Freehold land is stated at cost less identified impairment losses. No depreciation is provided for freehold land.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(h) Property, plant and equipment and depreciation (Continued)

Gain or loss arising from the retirement or disposal of an item of property, plant and equipment is determined as the difference between the net proceeds on disposal and the carrying amount of the item and is recognised in profit or loss on the date of retirement or disposal.

(i) Intangible asset

Intangible asset is measured at cost less accumulated impairment losses, if any. Intangible asset with indefinite useful life is tested for impairment at least annually, and whenever there is an indication that they may be impaired. The impairment loss of intangible asset is recognised immediately in profit or loss.

(j) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments (less any lease incentive receivable) payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments also include amounts expected to be payable by the Group under residual value guarantees; the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(j) Leases (Continued)

(i) As a lessee (Continued)

After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date less any lease incentives received, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, and is reduced by any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The Group presents right-of-use assets in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract (“**lease modification**”) and that is not accounted for as a separate lease. In this case, the consideration in the modified contract is allocated to each lease component on the basis of the relative stand-alone price of the lease component and the associated non-lease components are included in the respective lease components. The lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position. In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(j) Leases (Continued)

(ii) As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated financial position based on their nature.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents and trade receivables and other receivables)

Other financial assets measured at fair value, including equity securities measured at FVPL, equity securities designated FVOCI (non-recycling) and derivative financial assets are not subject to the ECL assessment.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses over the expected life of the financial instrument. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected life of a financial instrument.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on trade receivable are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Significant increases in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor;
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group;
- an actual or expected internal credit rating downgrade for the borrower;
- an actual or expected significant change in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring;
- significant changes in the expected performance and behaviour of the borrower.

The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Definition of default

For internal credit risk management, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount, with the exception of trade receivable where the corresponding adjustment is recognised through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(v)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Credit losses and impairment of assets (Continued)

(ii) Impairment of non-current assets

Intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

– *Recognition of impairment losses*

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Credit losses and impairment of assets (Continued)

(ii) Impairment of non-current assets (Continued)

– Reversal of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(v)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in note 2(k)(i) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(m) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Inventories (Continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost.

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity service and amortised over the period of the facility to which it relates.

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2(k)(i).

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(iii) Defined benefit plan obligations

The Group has a defined benefit plan, representing long service payment ("LSP") under the Hong Kong Employment Ordinance. The Group's net defined benefit obligation is measured by discounting the estimated cost to the Group of the benefit that employees in Hong Kong have earned in return for their service in the current and prior periods, after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with these Hong Kong employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. Current service cost, any past service cost and net interest expense are recognised in profit or loss. Net interest is determined by using the net defined benefit obligations and the discount rate determined at the beginning of the year, and also taking into account any changes in the net defined benefit obligations during the year resulting from contributions or benefit payments. Remeasurements arising from defined benefit plan, which comprise actuarial gains and losses and the effect of any asset ceiling (excluding interest), are recognised immediately in other comprehensive income.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(s) Share-based payments

Equity-settled share-based payment transactions

(i) *Share options granted to employees*

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share capital and share premium account.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained reserve.

When shares granted are vested, the amount previously recognised in share option reserve will be transferred to share capital and share premium account.

(ii) *Share options granted to non-employees*

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(t) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are:

- temporary differences arising from goodwill not deductible for tax purposes,
- temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and do not give rise to equal taxable and deductible temporary differences,
- temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future, and



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(t) Income tax (Continued)

- temporary differences related to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(u) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Group is also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

Revenue from the sales of bus bodies and kits and related parts are recognised based upon goods delivered, which is the point in time when the customer has the ability to direct the use and obtain the control of the goods and the goods have been accepted by the customers.

(ii) Revenue from after-sales and maintenance services for buses

Revenue from after-sales and maintenance services for buses is recognised when the services are completed.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(v) Revenue and other income *(Continued)*

(iii) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets (other than purchased or originated credit-impaired financial assets) measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(iv) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

(w) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates and are not re-translated. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(w) Translation of foreign currencies (Continued)

The functional currency of the Company is Hong Kong dollars (“**HK\$**”). The results of foreign operations are translated into United States Dollars (“**US\$**”) at the average exchange rates for the period, unless exchange rate fluctuate significantly during the period, in which case the foreign exchange rates ruling at the dates of the transactions are used. Consolidated statement of financial position items are translated into US\$ at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On the disposal of a foreign operation (that is, a disposal of the Group’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint venture that includes a foreign operation of which the retained interest becomes a financial asset), all the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of joint arrangements that do not result in the Group losing joint contract), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(y) Convertible notes

The component parts of the convertible bonds are classified separately as financial liability, derivative and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability, a derivative and an equity instrument.

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

A conversion option classified as equity is determined by deducting the amount of the debt component and derivative component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(z) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities and the Group are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.



For the year ended 31 October 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the discrete financial information provided regularly to the Company's board of directors (the chief operating decision maker) for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning on 1 November 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5(2020)
	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



For the year ended 31 October 2025

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Key sources of estimation uncertainty

(i) *Impairment of intangible assets*

If circumstances indicate that the carrying amounts of intangible assets may not be recoverable, the assets may be considered impaired, and an impairment loss may be recognised to reduce the carrying amounts to the recoverable amount in accordance with the accounting policy for impairment of these assets as described in note 2(k)(ii). The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to level of revenue and amount of operating costs. Management uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and the amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

(ii) *Depreciation of property, plant and equipment*

Management estimates the useful lives of property, plant and equipment based on the periods over which the assets are expected to be available for use. Management reviews annually their estimated useful lives, based on factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation charges and decrease the carrying amount of property, plant and equipment.

(iii) *Provision of ECL for trade and other receivables*

The Group uses a provision matrix to calculate ECL for the trade receivables. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable and available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The loss allowances for other receivables are based on assumptions about risk of default and expected loss rates. The Group makes adjustment in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and other receivables are disclosed in note 31(a).



For the year ended 31 October 2025

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(a) Key sources of estimation uncertainty (Continued)

(iv) *Net realisable value of inventories*

As described in note 2(m), net realisable value of inventories took into account factors that included but not limited to economic outlook, the latest selling price of inventories including raw material, work-in-progress and the finished goods in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling the products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior periods and affect the Group's net assets value. Management reassesses these estimates at the end of each reporting period to ensure inventories are shown at the lower of cost and net realisable value.

(b) Critical accounting judgements

(i) *Recognition of income taxes and deferred tax assets*

Determining income tax provision involves judgment on the future tax treatment of certain transactions. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised in respect of deductible temporary differences, unused tax losses and unused tax credits. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised, management's judgment is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.



For the year ended 31 October 2025

5. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the sales of bus bodies, the trading of body kits and spare parts for buses and the provision of relevant services.

Revenue represents the value of goods sold and services provided to customers. The amount of each significant category of revenue was as follows:

	2025 US\$'000	2024 <i>US\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or services		
– Sales of bus bodies and kits	21,885	18,428
– Sale of parts and provision of relevant services	3,811	4,416
– Rental of motor vehicles	277	112
	25,973	22,956

No remaining performance obligation under existing contracts has been disclosed as performance obligations under the Group's existing contracts has an original expected duration of one year or less, thus the Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts.

The Group's revenue is recognized at a point in time.



For the year ended 31 October 2025

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the board of directors of the Company, being the chief operating decision maker (the “**CODM**”), for the purpose of allocating resources to segments and assessing their performance.

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- Sales of bus bodies and kits – sales and fabrication of body work for buses and trading of body kits
- Sales of parts and provision of relevant services – dealing in spare parts for buses and provision of after-sales and maintenance services for buses
- Rental of motor vehicles – leasing motor vehicles
- Others – Sales of program and related intellectual property (“**IP**”) rights. No revenue had been generated during the year.

The accounting policies of the operating segments are the same as the Group’s accounting policy information described in note 2. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of head office and corporate expenses, other income and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

No segment assets and liabilities are presented as they were not regularly provided to the CODM for the purpose of resources allocation and performance assessment.

Information regarding the above segments is reported below.



For the year ended 31 October 2025

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

The following is an analysis of the Group's revenue and results by reportable operating segments for the years:

For the year ended 31 October 2025

	Sales of bus bodies and kits US\$'000	Sale of parts and provision of relevant services US\$'000	Rental of motor vehicles US\$'000	Sales of program and related IP right US\$'000	Total US\$'000
Revenue from external customers recognised at a point in time	21,885	3,811	277	–	25,973
Reportable segment revenue	21,885	3,811	277	–	25,973
Reportable segment profit	607	514	45	–	1,166
Unallocated head office and corporate expenses:					
– Other expenses					(938)
Other income					14
Finance costs					(480)
Loss before taxation					(238)
Other segment information					
Depreciation	318	–	34	–	352
Net allowance for impairment losses on trade and other receivables	65	2	–	–	67
Provision for writedown of inventories	23	–	–	–	23



For the year ended 31 October 2025

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

For the year ended 31 October 2024

	Sales of bus bodies and kits <i>US\$'000</i>	Sale of parts and provision of relevant services <i>US\$'000</i>	Rental of motor vehicles <i>US\$'000</i>	Sales of program and related IP rights <i>US\$'000</i>	Total <i>US\$'000</i>
Revenue from external customers recognised at a point in time	18,428	4,416	112	–	22,956
Reportable segment revenue	18,428	4,416	112	–	22,956
Reportable segment profit (loss)	510	692	7	(1,553)	(344)
Unallocated head office and corporate expenses:					
– Other expenses					(811)
Other income					1,394
Finance costs					(753)
Loss before taxation					(514)
Other segment information					
Depreciation	341	–	14	–	355
Net (reversal) allowance for impairment losses on trade and other receivables	(2)	4	–	1,553	1,555
Reversal for write down of inventories	(296)	–	–	–	(296)



For the year ended 31 October 2025

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

Geographical information

The following tables set out information about the geographical location of the Group's revenue from external customers. The geographical location of the customers is based on the location at which the goods are delivered and services are provided.

	Revenues from external customers	
	2025	2024
	US\$'000	US\$'000
Malaysia (place of domicile)	10,141	4,657
New Zealand	6,617	1,868
Singapore	4,855	5,821
Hong Kong	3,160	3,818
United States of America	858	1,981
Australia	99	4,264
Others	243	547
	25,973	22,956
	Non-current assets	
	2025	2024
	US\$'000	US\$'000
Malaysia	7,463	7,117

The Group's non-current assets included property, plant and equipment, intangible assets and deposits paid for acquisition of a subsidiary. The geographical location of the Group's non-current assets are based on the physical location of the asset in the case of tangible assets, and the location of operation to which they are allocated in the case of intangible assets.



For the year ended 31 October 2025

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

Information about major customers

Revenues from the Group's customers contributing 10% or more of the Group's revenue is as follows:

	2025 US\$'000	2024 US\$'000
Customers A	6,597	–
Customers B	3,102	3,793
Customers C	–	3,392
	<u>9,699</u>	<u>7,185</u>

6. OTHER INCOME

	2025 US\$'000	2024 US\$'000
Bank and other interest income	<u>1</u>	<u>195</u>
Total interest income on financial assets measured at amortised cost	1	195
Dividends from listed securities	2	–
Net foreign exchange (loss) gain	(41)	118
Gains on disposal of property, plant and equipment	2	2
Gain on disposal of land held for sale	–	588
Gain (Loss) on disposal of listed securities	3	(17)
Net gain on fair value change on financial assets at FVPL	5	400
Others	<u>42</u>	<u>108</u>
	<u>14</u>	<u>1,394</u>



For the year ended 31 October 2025

7. LOSS BEFORE TAXATION

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

(a) Finance costs

	2025 US\$'000	2024 US\$'000
Interest on bank borrowings	383	487
Interest on lease liabilities	7	5
Imputed interest on convertible bonds	90	261
Total interest expenses on financial liabilities not at fair value through profit or loss	<u>480</u>	<u>753</u>

(b) Staff costs (including directors' emoluments)

	2025 US\$'000	2024 US\$'000
Salaries, wages and other benefits	2,575	2,048
Contributions to defined contribution retirement plans	238	188
	<u>2,813</u>	<u>2,236</u>

(c) Other items

	2025 US\$'000	2024 US\$'000
Auditors' remuneration	116	147
Cost of inventories*	21,460	18,751
Depreciation		
– Owned property, plant and equipment	308	321
– Right-of-use assets	44	34
Gain on disposal of property, plant and equipment	(2)	(2)
Gain on disposal of land held for sale	–	(588)
Net allowance for impairment losses on trade and other receivables	67	1,555
Net foreign exchange loss (gain)	41	(118)
Loss on disposal of listed securities	(3)	17
Net gain on fair value change on financial assets at FVPL	(5)	(400)
Expenses relating to short-term lease	<u>136</u>	<u>268</u>

* Cost of inventories includes approximately US\$964,000 (2024: approximately US\$862,000) relating to staff costs and depreciation charges, which amount is also included in the respective total amounts disclosed separately above or in the Note 7(b) for each of these types of expenses, and provision of slow-moving inventory of approximately US\$23,000 (2024: reversal of approximately US\$296,000).



For the year ended 31 October 2025

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Year ended 31 October 2025

	Directors' fee <i>US\$'000</i>	Salaries allowances and benefits in kind <i>US\$'000</i>	Discretionary bonuses <i>US\$'000</i>	Contribution to defined contribution plan <i>US\$'000</i>	Share-based payments <i>(note (vii))</i> <i>US\$'000</i>	Total <i>US\$'000</i>
Executive directors						
Mr. Pang Chong Yong <i>(Chairman and chief executive officer)</i>	77	280	180	62	–	599
Mr. Pang Jun Jie	26	58	21	14	–	119
Mr. Yik Wai Peng	26	93	38	23	–	180
Independent non-executive directors						
Mr. Huan Yean San	19	–	–	–	–	19
Mr. Andrew Ling Yew Chung	19	–	–	–	–	19
Ms. Kwok Yuen Lam Sophia <i>(note (v))</i>	13	–	–	–	–	13
	180	431	239	99	–	949



For the year ended 31 October 2025

8. DIRECTORS' EMOLUMENTS (Continued)

Year ended 31 October 2024

	Directors' fee US\$'000	Salaries allowances and benefits in kind US\$'000	Discretionary bonuses US\$'000	Contribution to defined contribution plan US\$'000	Share-based payments (note (vii)) US\$'000	Total US\$'000
Executive directors						
Mr. Pang Chong Yong (Chairman and chief executive officer)	77	154	29	36	–	296
Mr. Pang Jun Jie	26	32	1	6	–	65
Mr. Yik Wai Peng	26	63	3	12	–	104
Independent non-executive directors						
Ms. Lee Kit Ying (note (iv))	18	–	–	–	–	18
Mr. Huan Yean San	19	–	–	–	–	19
Mr. Andrew Ling Yew Chung	19	–	–	–	–	19
Ms. Kwok Yuen Lam Sophia (note (v))	4	–	–	–	–	4
	<u>189</u>	<u>249</u>	<u>33</u>	<u>54</u>	<u>–</u>	<u>525</u>

Notes:

- (i) The remuneration shown above included remuneration received from the Group by the directors in their capacity as employees of the subsidiaries during the years ended 31 October 2025 and 2024.
- (ii) No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 October 2025 (2024: nil). No director waived or agreed to waive any emoluments during the year ended 31 October 2025 (2024: nil).
- (iii) Executive and non-executive directors of the Company are entitled to discretionary bonus payments which are determined with reference to the individual performance of the director.
- (iv) Ms. Lee Kit Ying retired as an independent non-executive director of the Company with effective from 22 March 2024.
- (v) Ms. Kwok Yuen Lam Sophia has been appointed as an independent non-executive director of the Company with effective from 21 June 2024.
- (vi) These represent the estimated value of share options granted to the directors under the Company's share option scheme (note 28). The value of these share options was measured according to the Group's accounting policies for equity-settled share-based payment transactions as set out in note 2(s).



For the year ended 31 October 2025

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2024: three) are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other two (2024: two) individuals are as follows:

	2025 US\$'000	2024 <i>US\$'000</i>
Salaries and other emoluments	131	143
Discretionary bonuses	30	10
Contributions to retirement benefits scheme	8	12
	169	165

The emoluments of two (2024: two) individuals with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK\$nil to HK\$1,000,000 (Equivalent to US\$nil to US\$128,866)	2	2

No emoluments were paid or payable by the Group to these employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 October 2025 (2024: nil).

Employees of the Company are entitled to discretionary bonus payments which are determined with reference to the individual performance.

10. DIVIDENDS

Dividends payable to owners of the Company attributable to the year

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 October 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).



For the year ended 31 October 2025

11. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 US\$'000	2024 US\$'000
The income tax expense comprises:		
Current tax:		
Singapore Income tax	21	28
	21	28
Interest Withholding Tax	61	58
Real Property Gains Tax (<i>note (iv)</i>)	–	142
Provision (over) in prior years:		
Malaysia Income Tax	3	–
Singapore Income Tax	(13)	(21)
	(10)	(21)
Deferred taxation (<i>note 27(b)</i>)	128	310
Income tax expense for the year	200	517

- (i) Hong Kong profits tax rate is 16.5% for the year ended 31 October 2025 (2024: 16.5%) on the estimated assessable profits arising in Hong Kong except for the first HK\$2 million of qualified group entity's assessable profits is calculated at 8.25% which is in accordance with the two-tiered profit tax rates regime. The Group is not subject to Hong Kong profits tax as it had no assessable profits for the years ended 31 October 2025 and 2024.
- (ii) The People's Republic of China ("PRC") Enterprise Income Tax ("EIT") is at the rate of 25% for the year ended 31 October 2025 (2024: 25%). The PRC subsidiaries are not subject to PRC EIT as they had no assessable profits for the years ended 31 October 2025 and 2024.
- (iii) The domestic tax rate of Malaysia Income Tax and Singapore Income Tax is 24% and 17% (2024: 24% and 17%) on the estimated assessable profits, respectively.
- (iv) All gains arising from transfer of real estate property in Malaysia are subject to Real Property Gains Tax at rates ranging from 10% to 30% on the appreciation of the land value, being the proceeds on sales of properties less certain deductible expenditure.



For the year ended 31 October 2025

11. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

(b) Reconciliation between tax expense/(credit) and accounting (loss) at applicable tax rates:

	2025 US\$'000	2024 US\$'000
Profit (Loss) before taxation	<u>(238)</u>	<u>(514)</u>
Notional tax on profit before taxation, calculated at the statutory tax rates applicable to the respective tax jurisdictions	71	(111)
Tax effect of non-deductible expenses	301	853
Tax effect of non-taxable income	(270)	(453)
Over provision in prior years	(10)	(21)
Withholding tax	61	58
Real property gains tax	–	142
Others	<u>47</u>	<u>49</u>
Income tax expense for the year	<u>200</u>	<u>517</u>

12. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the consolidated loss attributable to equity shareholders of the Company of approximately US\$430,000 (2024: US\$1,027,000) and the weighted average number of approximately 267,733,863 ordinary shares (2024: 251,364,000 ordinary shares) in issue during the year ended 31 October 2025. During the year ended 31 October 2025, the Convertible Bonds (as defined in note 26) were matured and fully converted, and the Company allotted and issued 25,000,000 shares (2024: nil) pursuant to the terms and conditions of the Convertible Bonds. There is no cancellation of share during the year ended 31 October 2025 (2024: nil).

(b) Diluted loss per share

The basic and diluted loss per share for the years ended 31 October 2025 and 2024 were the same because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding, including the conversion of the convertible bonds and the exercise of the outstanding share options, during the years were anti-dilutive.



For the year ended 31 October 2025

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land US\$'000	Buildings US\$'000	Building in progress US\$'000	Plant and machinery US\$'000	Tools and equipment US\$'000	Motor vehicles US\$'000	Furniture, fittings and office equipment US\$'000	Total US\$'000
Cost								
At 1 November 2023	1,618	4,681	–	1,530	439	687	1,306	10,261
Additions	–	62	32	42	2	199	34	371
Reclassified as held for sale	–	–	–	–	(1)	(23)	(160)	(184)
Exchange adjustments	142	415	1	138	37	108	107	948
As 31 October 2024	1,760	5,158	33	1,710	477	971	1,287	11,396
At 1 November 2024	1,760	5,158	33	1,710	477	971	1,287	11,396
Additions	–	189	56	30	2	85	44	406
Disposals	–	–	–	(111)	–	–	–	(111)
Transfer (from)/to	–	35	(35)	–	–	–	–	–
Exchange adjustments	75	228	2	70	22	42	57	496
At 31 October 2025	1,835	5,610	56	1,699	501	1,098	1,388	12,187
Accumulated depreciation:								
At 1 November 2023	–	1,133	–	1,045	320	599	1,235	4,332
Depreciation for the year	–	108	–	51	26	90	80	355
Disposal	–	–	–	–	(1)	(23)	(160)	(184)
Exchange adjustments	–	105	–	94	29	83	104	415
At 31 October 2024	–	1,346	–	1,190	374	749	1,259	4,918
At 1 November 2024	–	1,346	–	1,190	374	749	1,259	4,918
Depreciation for the year	–	120	–	72	24	90	46	352
Disposal	–	–	–	(111)	–	–	–	(111)
Exchange adjustments	–	61	–	51	20	32	53	217
At 31 October 2025	–	1,527	–	1,202	418	871	1,358	5,376
Net book value:								
At 31 October 2024	1,760	3,812	33	520	103	222	28	6,478
At 31 October 2025	1,835	4,083	56	497	83	227	30	6,811



For the year ended 31 October 2025

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Notes	2025 US\$'000	2024 US\$'000
Motor vehicles, carried at depreciated cost	(i)	108	54
Plant and machinery, carried at depreciated cost	(i)	74	63
		182	117

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 US\$'000	2024 US\$'000
Depreciation charge of right-of-use assets by class of underlying assets:		
Motor vehicles	35	26
Plant and machinery	9	8
	44	34
Interest on lease liabilities (note 7(a))	7	5
Expense relating to short-term leases (note 7(c))	136	268

The total cash outflow for lease during the year 31 October 2025 was approximately US\$187,000 (2024: US\$306,000).

The maturity analysis of lease liabilities is set out in note 25.

(i) Other leases

The Group leases motor vehicles and plant and machinery under leases expiring from 3 to 7 years under hire purchase agreements. Some leases include an option to renew the lease when all terms are renegotiated, while some include an option to purchase the leased equipment at the end of the lease term. None of the leases includes variable lease payments.

(b) The carrying amount of assets pledged to secure certain banking facilities granted to the Group (note 24) was as follow:

	2025 US\$'000	2024 US\$'000
Freehold land	1,835	1,760
Buildings	4,083	3,812
	5,918	5,572



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14. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Name of company	Principle place of operation and place of incorporation and business	Issued and fully paid ordinary shared/registered capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by subsidiaries	
Gemilang Limited	British Virgin Islands	US\$1	100%	100%	–	Investment holding
Gemilang Asia Pacific Limited [#]	British Virgin Islands	US\$10	40%	40%	–	Investment holding
Gemilang Coachwork Sdn. Bhd. ("Gemilang Coachwork")	Malaysia	RM2,000,000	100%	–	100%	Fabrication of body work for buses and trading of body kits and spare parts for buses
GML Coach Technology Pte. Limited ("GML Coach")	Singapore	SGD5,000	100%	–	100%	Dealing in spare parts for buses and related products and providing maintenance services for buses
Gemilang (Greater China) Limited	British Virgin Islands	US\$1	100%	100%	–	Investment holding
Gemilang Greater China Limited	Hong Kong	HK\$1	100%	–	100%	Investment holding
順銘(上海)汽車科技有限公司 ("順銘(上海)") [*]	PRC	RMB100,000	100%	–	100%	Investment holding
順銘(深圳)汽車科技有限公司 ("順銘(深圳)") [*]	PRC	RMB100,000	100%	–	100%	Trading of film and related intellectual property rights
Gemilang (Middle East) Limited	British Virgin Islands	US\$1	100%	100%	–	Inactive
SMG Transit Sdn Bhd.	Malaysia	RM10,000	55%	–	55%	Motor vehicle leasing
Hotoh Australia Pty Limited	Australia	AUD\$100	100%	–	100%	Inactive

^{*} Registered as a wholly-foreign-owned enterprise under PRC law.

[#] Deemed disposal of interest in a subsidiary without loss of control.

During the year ended 31 October 2024, Gemilang Asia Pacific Limited, a wholly-owned subsidiary of the Group, allotted shares to a subscriber which diluted the Group's interest in Gemilang Asia Pacific Limited from 100% to 40%, resulted in a deemed disposal of 60% equity interests in Gemilang Asia Pacific Limited. Gemilang Asia Pacific Limited is considered to be a subsidiary of the Company despite the Company holds directly not more than half of the equity interest therein as the Company has the power to cast the majority of votes at meetings of the board of directors of this entity, and has power to affect the returns of this entity.



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14. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

The effect of changes in the ownership interest of this subsidiary on the equity attributable to shareholders of the Company during the year is summarised as follows:

	2024 US\$'000
Carrying amount of non-controlling interests disposed of	25
Consideration received from non-controlling shareholder	—*
Changes recognised on disposal within equity	25

* Below US\$1,000

15. INTANGIBLE ASSETS

	US\$'000
At 1 November 2023	284
Exchange realignment	25
At 31 October 2024	309
At 1 November 2024	309
Exchange realignment	13
At 31 October 2025	322

The intangible assets mainly represents the expenses incurred to obtain certifications in Australia in complying with the relevant Australian Design Rules (ADRs) for vehicle safety, anti-theft and emissions which is a requirement for exporting the Group's products to the Australia market. The certifications, which do not require subsequent renewal on approved bus models, are considered by the directors of the Company as having indefinite useful lives because there is no specified limit on the period over which they are expected to contribute net cash inflows to the Group until their useful lives are determined to be finite. The carrying amounts of the certifications are tested annually for impairment and whenever there is an indication that they may be impaired.

For the purposes of impairment testing, the respective recoverable amounts at year end of the cash-generating unit relating to sales of buses bodies business to which these certifications are allocated, using a value-in-use calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period and a discount rate of 16.12% (2024: 16.16%). Cash flows beyond that five-year period have been extrapolated using a steady 3% (2024: 3%) growth rate. This growth rate does not exceed the long-term average growth rate for the market in which the cash-generating unit operates. As at 31 October 2025, the recoverable amount of these certificates are greater than the carrying amount. Accordingly, the directors determined that there was no impairment in value of these certifications as at 31 October 2025.



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16. INTEREST IN A JOINT VENTURE

Details of the Group's interest in a joint venture, which is accounted for using the equity method in the consolidated financial statements, is as follows:

Name of venture	Place of incorporation and business	Class of shares held	Particulars of issued and paid up capital	Proportion of ownership interest		Principal activity
				Group's effective interest	Held by subsidiaries	
上海北鋁汽車科技有限公司 ("上海北鋁")	PRC	Registered	–	50%	50%	Inactive

上海北鋁 is an unlisted corporate entity incorporated during the year ended 31 October 2019 and is a strategic investment of the Group which aims to broaden the Group's customer base in PRC and exposure to new business opportunities and was deregistered as at 6 June 2025.

Up to the date of deregistration, the company has not commenced operation and the Group do not completed the capital contribution. Note 32 contains details of the amount of capital commitment.

17. INVENTORIES

	2025 US\$'000	2024 US\$'000
Raw material	6,778	7,102
Work-in-progress	14,788	6,579
Finished good	5,899	450
Goods in transit	1,283	849
	28,748	14,980

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Note	2025 US\$'000	2024 US\$'000
Carrying amount of inventories sold		20,815	18,815
Provision (reversal) for writedown of inventories	(i)	23	(296)
		20,838	18,519

Note:

- (i) The provision and reversal for writedown of inventories made during the years ended 31 October 2025 and 2024 were due to the increase and utilisation of slow moving inventories in current or prior years.



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18. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(a) Trade receivables

	2025 US\$'000	2024 US\$'000
Trade receivables	4,080	5,511
Less: allowance for impairment losses (<i>note 31(a)</i>)	(558)	(470)
Financial assets measured at amortised cost	<u>3,522</u>	<u>5,041</u>

Trade receivables are expected to be recovered within one year.

Ageing analysis of trade receivables

As at the end of each reporting period, the ageing analysis of trade receivables based on the invoice date and net of loss allowance, is as follows:

	2025 US\$'000	2024 US\$'000
Within 30 days	2,790	3,925
31 to 90 days	99	369
Over 90 days	633	747
	<u>3,522</u>	<u>5,041</u>

Trade receivables are generally due within 30 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 31(a).

(b) Deposits, prepayments and other receivables

	2025 US\$'000	2024 US\$'000
Deposits	606	413
Prepayments	5,446	3,912
Other receivables*	4,341	4,091
Less: allowance for impairment losses (<i>note 31(a)</i>)	(3,724)	(3,724)
	<u>6,669</u>	<u>4,692</u>
Less: non-current portion		
Deposits paid for acquisition of a subsidiary**	(330)	(330)
	<u>6,339</u>	<u>4,362</u>

The amount of deposits, prepayments and other receivables as at 31 October 2025, are expected to be recovered or recognised as assets or expenses within one year.



For the year ended 31 October 2025

18. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

(b) Deposits, repayments and other receivables (Continued)

Note:

* Included in other receivables was an amount of approximately US\$3,724,000 (2024: US\$3,724,000) in relation to the return of certain inventories under the sales of program and related IP rights segment, for which the refund was eligible pursuant to the terms and conditions under the sales and purchase agreement with the supplier. The directors of the Company considered that the outstanding receivables was past due and the recoverability is uncertain. Accordingly, an allowance for impairment loss of approximately US\$3,724,000 was recognised against the balance as at 31 October 2024, and the situation has not changed during the reporting period. Further details on the Group's credit policy and credit risk arising from other receivables are set out in note 31(a).

** Deposit paid for acquisition of a subsidiary On 27 October 2022, Gemilang Limited (the "**Purchaser**"), a direct wholly-owned subsidiary of the Company, and Mr. Pang Chong Yong ("**Mr. CY Pang**") (who is the chairman, the chief executive officer, the executive Director and a controlling Shareholder of the Company) and Mr. Pang Jun Kang ("**Mr. JK Pang**", collectively referred as the "**Vendors**" hereinafter) (who is the son of Mr. CY Pang and the brother of Mr. Pang Jun Jie, an executive Director), entered into the a conditional share sale agreement, pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire issued share capital of GML Premier Sdn. Bhd. (the "**Target Company**") and the advances owing to the Vendors by the Target Company, for an aggregate consideration of RM2,591,244 (equivalent to approximately US\$550,000). RM1,554,746 (equivalent to approximately US\$330,000), being the deposit and part payment towards account of the consideration, had been paid by the Purchaser to the Vendors upon the execution of the conditional share sale agreement.

On 19 October 2023, the Purchaser and the Vendors have mutually agreed to extend conditional period, which initially 12 months from the date of the agreement to a further period of six (6) months, i.e. to the 26 April 2024, as additional time is required for the parties to obtain approvals from relevant authorities in Malaysia on the change of the category of land use and transfer of shares.

On 19 April 2024, the Purchaser and the Vendors have mutually agreed to further extend the conditional period for a period of six (6) months to 26 October 2024. On 16 October 2024, the Vendors and the Purchaser have mutually agreed to further extend the conditional period for a period of nine (9) months to 26 July 2025. On 17 July 2025, the Vendors and the Purchaser have mutually agreed to further extend the conditional period for a period of nine (9) months to 26 April 2026.

For further details of the above acquisition, please refer to the announcements of the Company dated 27 October 2022, 19 October 2023, 19 April 2024, 16 October 2024 and 17 July 2025.



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19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets mandatorily measured at FVPL:

	2025 US\$'000	2024 US\$'000
Listed securities held for trading:		
– Equity securities listed in Malaysia	64	115
Derivative components of convertible bonds (note 26)	–	2,276
	<u>64</u>	<u>2,391</u>
Analysed for reporting purposes as:		
Current assets	<u>64</u>	<u>2,391</u>

Listed securities held for trading of approximately US\$64,000 (2024: US\$115,000) was pledged to a bank to secure banking facilities granted to the Group (note 24).

Details of fair value measurement are disclosed in note 31(f) to the consolidated financial statements.

20. CONTRACT LIABILITIES

	2025 US\$'000	2024 US\$'000
Deposits received from customers	<u>7,164</u>	<u>3,903</u>

Movements in contract liabilities

	2025 US\$'000	2024 US\$'000
Balance at beginning of the year	3,903	3,683
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(3,903)	(3,423)
Increase in contract liabilities as a result of billing in advance of manufacturing activities	<u>7,164</u>	<u>3,643</u>
Balance at end of the year	<u>7,164</u>	<u>3,903</u>



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20. CONTRACT LIABILITIES (Continued)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the Group receives deposit before the production activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the project exceeds the amount of the deposit. The amount of deposit were negotiated on a case by case basis with customers.

All contract liabilities are expected to be recognised as revenue within one year.

The increase (2024: increase) in contract liabilities in the current year was mainly due to the increase (2024: increase) in deposits received in advance from customers.

21. PLEDGED BANK DEPOSITS

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Pledged bank deposits	<u>20</u>	<u>132</u>

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group (note 24). The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

The effective interest rates of the pledged bank deposits are as follow:

	2025	2024
Pledged bank deposits	<u>0.33% to 2.40%</u>	<u>0.15% to 2.60%</u>



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22. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprises:

	2025 US\$'000	2024 US\$'000
Cash at banks and on hand	1,956	659
Less: Bank overdrafts (<i>note 24</i>)	<u>(2,364)</u>	<u>(2,328)</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>(408)</u>	<u>(1,669)</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

(b) Reconciliation of liabilities arising from financing activities

	Bank borrowings US\$'000	Lease liabilities US\$'000	Interest payables US\$'000	Convertible bonds US\$'000	Total US\$'000
At 1 November 2023	5,094	106	57	3,325	8,582
Non-cash – new lease entered	–	16	–	–	16
Non-cash – interest cost	–	5	487	261	753
Non-cash – currency translation difference	313	14	–	–	327
Cash flow – financing activities	<u>(1,065)</u>	<u>(38)</u>	<u>(487)</u>	<u>–</u>	<u>(1,590)</u>
At 31 October 2024	<u>4,342</u>	<u>103</u>	<u>57</u>	<u>3,586</u>	<u>8,088</u>
	Bank borrowings US\$'000	Lease liabilities US\$'000	Interest payables US\$'000	Convertible bonds US\$'000	Total US\$'000
At 1 November 2024	4,342	103	57	3,586	8,088
Non-cash – new lease entered	–	94	–	–	94
Non-cash – interest cost	–	7	383	90	480
Non-cash – currency translation difference	359	5	–	–	364
Non-cash – conversion of convertible bonds	–	–	–	(3,265)	(3,265)
Cash flow – financing activities	<u>4,304</u>	<u>(51)</u>	<u>(383)</u>	<u>(411)</u>	<u>3,459</u>
At 31 October 2025	<u>9,005</u>	<u>158</u>	<u>57</u>	<u>–</u>	<u>9,220</u>



For the year ended 31 October 2025

23. TRADE AND OTHER PAYABLES

	2025 US\$'000	2024 <i>US\$'000</i>
Trade payables	13,456	5,676
Other payables and accruals	1,235	1,096
	14,691	6,772

Ageing analysis of trade payables

As at the end of each reporting period, the ageing analysis of trade payables based on invoice date is as follows:

	2025 US\$'000	2024 <i>US\$'000</i>
Within 30 days	3,122	2,284
31 to 90 days	2,049	2,056
Over 90 days	8,285	1,336
	13,456	5,676

All of the trade and other payables are expected to be settled within one year or are repayable on demand.



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24. BANK LOANS AND OVERDRAFTS

	2025 US\$'000	2024 US\$'000
Bank overdrafts (<i>note 21</i>)	2,364	2,328
Trust receipt loans	5,567	2,268
Other bank loans	3,438	2,074
	<u>11,369</u>	<u>6,670</u>

- (a) At end of the reporting period, the bank overdrafts, trust receipt loans and other bank loans are repayable as follows:

	2025 US\$'000	2024 US\$'000
The carrying amounts of the above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	<u>11,369</u>	<u>6,670</u>
	<u>11,369</u>	<u>6,670</u>

Note: The amounts due are based on scheduled repayment dates set out in the loan agreements.

(b) Assets pledged as security and covenants for bank loans and overdrafts

	2025 US\$'000	2024 US\$'000
Secured		
Bank overdrafts	2,364	2,328
Trust receipt loans	5,567	2,268
Other bank loans	3,438	2,074
	<u>11,369</u>	<u>6,670</u>



For the year ended 31 October 2025

24. BANK LOANS AND OVERDRAFTS (Continued)

(b) Assets pledged as security and covenants for bank loans and overdrafts

(Continued)

Certain banking facilities are secured by:

- (i) Legal charges over freehold land and buildings (note 13);
- (ii) Deposits with licensed banks of the Group (note 21);
- (iii) Listed securities held for trading of the Group (note 19);
- (iv) Joint and several personal guarantees to the extent of US\$210,000 (2024: US\$210,000) given by directors of the Company (note 33(c)(ii)).

Certain Group's banking facilities are subject to the fulfilment of covenants relating to certain consolidated balance sheet ratios. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 31(b). At 31 October 2025 and 2024, none of the covenants relating to drawn down facilities had been breached.

25. LEASES LIABILITIES

At 31 October 2025 and 2024, the lease liabilities were repayable as follows:

	2025 US\$'000	2024 <i>US\$'000</i>
Within 1 year	<u>59</u>	<u>35</u>
After 1 year but within 2 years	49	36
After 2 years but within 5 years	<u>50</u>	<u>32</u>
	99	68
	<u>158</u>	<u>103</u>

As at 31 October 2025 and 2024, the lease liabilities in respect of leased motor vehicles and plant and machinery were under hire purchase agreements.



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26. CONVERTIBLE BONDS

On 28 February 2022, the Company issued convertible bonds with an aggregate principal amount of HK\$25,000,000 (equivalent to approximately US\$3,222,000) (the “**Convertible Bonds**”) pursuant to the agreement dated 14 December 2021 (the “**Subscription Agreement**”) entered into between the Company and a subscriber (the “**Subscriber**”), which is an independent third party to the Company.

The bonds entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue and the date of redemption. The initial conversion price is HK\$1.00 (subject to adjustments) per conversion share (the “**Conversion Price**”) under the terms and conditions of the Subscription Agreement. The Convertible Bonds shall bear an interest from (and including) the date of issue at the rate of 4.25% per annum on the outstanding principal amount of the Convertible Bonds.

The Convertible Bonds will mature on the day falling on the second anniversary of the issue of the Convertible Bonds (the “**Initial Maturity Date**”). In the event that any of the Convertible Bonds remain unconverted and outstanding on the date falling one (1) month prior to the Initial Maturity Date, the Company may serve a written notice on the holder or holders in whose name the Convertible Bonds is registered in the register in relation to the Convertible Bonds (the “**Bondholder(s)**”) at least fourteen (14) days prior to the Initial Maturity Date to extend the maturity date of such Convertible Bonds which remain unconverted and outstanding at the Initial Maturity Date to the day falling on the third anniversary of the issue of the Convertible Bonds (the “**Extended Maturity Date**”). In February 2024, the Company had served the Written Notice to the Bondholder to extend the maturity date to the Extended Maturity Date.

Subject to the terms of the conditions endorsed on the Convertible Bonds, the Company has the absolute right to require the Bondholder(s) to mandatorily convert any Convertible Bonds remaining outstanding at the Initial Maturity Date (in case of the Initial Maturity Date be extended, would be the Extended Maturity Date) into conversion shares at the then applicable Conversion Price.

The gross proceeds and net proceeds (after deducting all the relevant costs and expenses) from the issue of the Convertible Bonds was approximately HK\$25,000,000 (equivalent to US\$3,222,000) and approximately HK\$24,837,000 (equivalent to US\$3,201,000), respectively.

The Convertible Bonds have three components – (i) a liability component, representing the principal amount, (ii) a derivative financial instruments, representing the extension right and the mandatory conversion option held by the issuer, and (iii) an equity component, representing the equity conversion feature.

At initial recognition, the liability component of the Convertible Bonds is measured as the present value of the future interest and principal payments, discounted at the market rate for equivalent non-convertible bonds that do not have a conversion option. The derivatives of the Convertible Bonds, which are early redemption and mandatory conversion options held by the Company, are measured at fair value and presented as derivative financial instruments in current assets. The equity component was the residual amount after deducting the liability and derivative components from the gross consideration received for the Convertible Bonds.



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26. CONVERTIBLE BONDS (Continued)

The effective interest rate of the liability component is 7.79%.

During the year ended 31 October 2025, the Convertible Bonds were matured and fully converted. The Company allotted and issued 25,000,000 shares of the Company pursuant to the terms and conditions of the Convertible Bonds on 7 March 2025.

The Convertible Bonds have been split as follows:

	Liability component US\$'000	Derivative financial instruments US\$'000	Equity component US\$'000	Total US\$'000
As at 31 October 2023 and 1 November 2023	3,325	(1,867)	1,031	2,489
Fair value change	–	(409)	–	(409)
Imputed interest for the year ended 31 October 2024	261	–	–	261
As at 31 October 2024 and 1 November 2024	3,586	(2,276)	1,031	2,341
Imputed interest for the year ended 31 October 2025	90	–	–	90
Interest payment	(411)	–	–	(411)
Conversion into shares	(3,265)	2,276	(1,031)	(2,020)
As at 31 October 2025	–	–	–	–

Binomial tree method is used for valuation of the derivatives financial instruments of the Convertible Bonds. The key inputs used in the model are disclosed in note 31(f).

27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2025 US\$'000	2024 US\$'000
Tax recoverable	624	361
Provision for taxation	–	(16)
	624	345



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27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax liabilities/(assets) recognised in the consolidated statement of financial position and the movements during the years are as follows:

	Depreciation allowances in excess of depreciation US\$'000	Credit loss allowance US\$'000	Provision for writedown of inventories US\$'000	Unrealised foreign exchange gain US\$'000	Tax loss and others US\$'000	Total US\$'000
At 1 November 2023	214	(100)	(112)	(49)	(222)	(269)
Charge/(credit) to profit or loss (<i>note 11(a)</i>)	76	1	71	116	46	310
Exchange realignment	23	(10)	(5)	2	(16)	(6)
At 31 October 2024	313	(109)	(46)	69	(192)	35
At 1 November 2024						
Charge/(credit) to profit or loss (<i>note 11(a)</i>)	15	(16)	31	(70)	168	128
Exchange realignment	14	(6)	(1)	1	(3)	5
At 31 October 2025	342	(131)	(16)	–	(27)	168

For the purpose of presentation, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 US\$'000	2024 US\$'000
Deferred tax liabilities	168	35

(c) Deferred tax assets and liabilities not recognised:

There were no material unrecognised deferred tax assets and liabilities as at 31 October 2025 and 2024.



For the year ended 31 October 2025

28. SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) was adopted by the Company on 21 October 2016 for the primary purpose of providing incentives to eligible participants which will expire on 20 October 2026. Under the Scheme, the board of directors of the Company may grant options to the eligible participants, including employees, advisors, consultants, service providers, agents, customers, partners or joint-venture partners of the Group, to subscribe for shares in the Company.

The maximum number of shares in respect of which options may be granted at any time under the Scheme together with options which may be granted under any other share option schemes for the time being of the Company must not in aggregate exceed 10% of the shares of the Company in issue of 250,000,000 shares as at the date of Listing (the “**Scheme Mandate Limit**”). The Company may seek approval of the shareholders in general meeting to refresh the Scheme Mandate Limit provided that the total number of shares available for issue upon exercise of all options which may be granted under the Scheme and any other schemes of the Company shall not exceed 10% of the shares of the Company in issue at the date of approval of refreshing of the Scheme Mandate Limit. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issued from time to time.

Options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1.00. The subscription price is determined by the board of directors of the Company, and shall not be less than the highest of (i) the closing price of the Company’s shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; (ii) the average closing price of the Company’s shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s shares on the date of grant.

On 18 August 2023, a total of 19,700,000 share options (each share option will entitle the holder of the share option to subscribe for one new ordinary share of HK\$0.01 each) were granted to directors, employees and service providers under the Scheme as incentives or rewards for their contribution to the Group. The closing price of the grant date was HK\$0.42. The option’s fair value of approximately US\$367,000 was measured at grant date using the Binomial Option Pricing Model.



For the year ended 31 October 2025

28. SHARE OPTION SCHEME (Continued)

The terms and conditions, number and exercise prices of share options granted on 18 August 2023 are as follows:

2025

Date of grant	At 1 November 2024	Granted during the year	Cancelled/ lapsed during the year	Outstanding and exercisable at the end of the year	Exercise price HK\$	Vesting date	Exercisable period
Granted of directors							
18 August 2023	6,000,000	-	-	6,000,000	0.44	Immediately vested	Within 3 years from grant date
Granted of employees							
18 August 2023	3,190,000	-	(110,000)	3,080,000	0.44	Immediately vested	Within 3 years from grant date
Granted to service providers							
18 August 2023	9,800,000	-	-	9,800,000	0.44	Immediately vested	Within 3 years from grant date
	<u>18,990,000</u>	<u>-</u>	<u>(110,000)</u>	<u>18,880,000</u>			
Weighted average exercise price (HK\$)	<u>0.44</u>	<u>0.44</u>	<u>0.44</u>	<u>0.44</u>			



For the year ended 31 October 2025

28. SHARE OPTION SCHEME (Continued)

The terms and conditions, number and exercise prices of share options granted on 18 August 2023 are as follows: (Continued)

2024

Date of grant	At 1 November 2023	Granted during the year	Cancelled/ lapsed during the year	Outstanding and exercisable at the end of the year	Exercise price HK\$	Vesting date	Exercisable period
Granted of directors							
18 August 2023	6,250,000	–	(250,000)	6,000,000	0.44	Immediately vested	Within 3 years from grant date
Granted of employees							
18 August 2023	3,270,000	–	(80,000)	3,190,000	0.44	Immediately vested	Within 3 years from grant date
Granted to service providers							
18 August 2023	9,800,000	–	–	9,800,000	0.44	Immediately vested	Within 3 years from grant date
	<u>19,320,000</u>	<u>–</u>	<u>(330,000)</u>	<u>18,990,000</u>			
Weighted average exercise price (HK\$)	<u>0.44</u>	<u>0.44</u>	<u>0.44</u>	<u>0.44</u>			

No share option was exercised during the years ended 31 October 2025 and 2024. The weighted average remaining contractual life of the share options outstanding at 31 October 2025 was approximately 0.8 years (2024: 1.8 years validity period expired).

Pursuant to the rules of the share option scheme, the options will lapse when the grantee ceases to be an employee of the Group for reasons other than death, ill-health or retirement.

The fair value of the options granted on 18 August 2023 was determined using Binomial Option Pricing Model at the date of grant. The significant inputs into the model was based on the following data:

Fair value at measurement date (US\$)	0.01897
Share price at grant date (HK\$)	0.42
Exercise price (HK\$)	0.44
Expected volatility	62.93%
Expected life	3 years
Risk-free rate	4.013%
Expected dividend yield	1.59%



For the year ended 31 October 2025

29. EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plan

The Group operates a Mandatory Provident Fund Scheme (“**the MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The employees of the Group’s subsidiary in Malaysia are required to participate in a statutory Employee Provident Fund. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The Group contributes 4-13% (2024: 4-13%) of the relevant payroll costs to the scheme, which contribution is matched by employees.

The employees of the Group’s subsidiary which operate in Singapore are required to participate in the Central Provident Fund operated by the local government. This Singapore subsidiary is required to contribute 7.5% to 17% (2024: 7.5% to 17%) of its basic payroll costs to the fund.

The total expense recognised in profits or loss of approximately US\$238,000 (2024: US\$188,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans (note 7(b)).



For the year ended 31 October 2025

30. CAPITAL AND RESERVES

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

(b) Share capital

Ordinary shares of HK\$0.01 each

Authorised:

	No. of shares	Amount US\$'000
At 31 October 2024, 1 November 2024 and 31 October 2025	2,000,000,000	2,581

Issued and fully paid:

	No. of shares	Amount US\$'000
At 31 October 2024 and 1 November 2024	251,364,000	324
Issue of Shares upon conversion of the Convertible Bonds	25,000,000	32
At 31 October 2025	276,364,000	356

(c) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company. Under the Companies Law of the Cayman Islands, the share premium account of the Company is distributable to the equity shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debt as they fall due in the ordinary course of business.

(d) Merger reserve

Merger reserve of the Group represents the difference between the nominal value of ordinary shares issued by the Company, and the issued share capital of Gemilang Coachwork and GML Coach exchanged in connection with the reorganisation.

(e) Exchange reserve

The exchange reserve represents foreign exchange differences arising from the translation of the financial statements of the overseas subsidiaries. The reserve is dealt with in accordance with the accounting policies set out in note 2(w).



For the year ended 31 October 2025

30. CAPITAL AND RESERVES (Continued)

(f) Share option reserve

The share option reserve comprises the portion of the grant date fair value of unexercised share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(s).

(g) Convertible bonds reserve

The convertible bonds reserve represents the equity component (conversion right) of the convertible bonds issued. The reserve is dealt with in accordance with the accounting policies set out in note 2(y).

(h) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, or sell assets to reduce debt. No changes in the objective, policies or processes for managing capital were made during the year ended 31 October 2025.

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risk associated with each class of capital. Based on recommendation of the management, the Group will balance its overall capital structure through the payment of dividends as well as issue of new debt or the redemption of the debt.

The Group monitors capital using, inter alia, a gearing ratio which is net debt divided by total equity. Net debt includes bank overdrafts, interest-bearing bank borrowings, convertible bonds and lease liabilities, less cash and bank balances. The gearing ratio as at 31 October 2025 and 2024 is as follows:

	2025 US\$'000	2024 US\$'000
Lease liabilities	158	103
Bank borrowings	9,005	4,342
Bank overdrafts	2,364	2,328
Convertible bonds	—	3,586
	<u>11,527</u>	<u>10,359</u>
Less: cash and bank balances	(1,956)	(659)
Net debt	<u>9,571</u>	<u>9,700</u>
Total equity	<u>15,186</u>	<u>13,958</u>
Net debt-to-equity ratio	<u>63%</u>	<u>69%</u>



For the year ended 31 October 2025

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Details of the material accounting policies and methods adopted in respect of each class of financial assets and financial liabilities are disclosed in note 2.

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Financial assets		
Financial assets at amortised cost	6,721	6,612
Financial assets at FVPL	64	2,391
	<u>6,785</u>	<u>9,003</u>
	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Financial liabilities		
Financial liabilities at amortised cost	<u>26,218</u>	<u>17,131</u>

The main risks arising from the Group's financial instruments are credit risk liquidity risk interest rate risk, currency risk and equity price risk. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies, for which the Group considers to have low credit risk.



For the year ended 31 October 2025

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 October 2025 and 2024, 19% and 41% of the trade receivables respectively, were due from the Group's largest debtor; and 59% and 73% of the trade receivables respectively, were due from the Group's five largest debtors.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The provision rates are based on days past due and geographical region for groupings of various customer segments.

	2025		
	Expected loss rate %	Gross carrying amount US\$'000	Loss allowance US\$'000
Current (not past due)	0.09%	2,238	(2)
Less than 90 days past due	0.31%	655	(2)
91 – 180 days past due	2.83%	105	(3)
181 – 365 days past due	5.52%	562	(31)
More than 365 days past due	100%	520	(520)
		<u>4,080</u>	<u>(558)</u>



For the year ended 31 October 2025

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

	2024		
	Expected loss rate %	Gross carrying amount US\$'000	Loss allowance US\$'000
Current (not past due)	0.08%	3,755	(3)
Less than 90 days past due	0.55%	545	(3)
91 – 180 days past due	0.46%	655	(3)
181 – 365 days past due	5.00%	100	(5)
More than 365 days past due	100%	456	(456)
		<u>5,511</u>	<u>(470)</u>

Expected loss rates are based on actual loss experience over the past 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data have been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2025 US\$'000	2024 US\$'000
Balance at beginning of the year	470	430
Net allowance for impairment losses recognised during the year	67	2
Exchange realignment	21	38
Balance at end of the year	<u>558</u>	<u>470</u>

During the year ended 31 October 2025, the following significant changes in the gross carrying amounts of trade receivables contributed to the increase (2024: increase) in the loss allowance:

- Origination of new trade receivables net of those settled resulted in an increase in loss allowance of approximately US\$67,000 (2024: US\$2,000).



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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Other receivables

The Group has concentration of credit risk on the other receivables at the end of the reporting period. The Group closely monitors the repayment from the other receivables in order to minimise the credit risk.

	2025			Total US\$'000
	Stage 1 US\$'000	Stage 2 US\$'000	Stage 3 US\$'000	
Other receivables, gross	617	–	3,724	4,341
Less: ECL on other receivables	–	–	(3,724)	(3,724)
Other receivables, net	617	–	–	617
Expected loss rate	0%	N/A	100%	

	2024			Total US\$'000
	Stage 1 US\$'000	Stage 2 US\$'000	Stage 3 US\$'000	
Other receivables, gross	367	–	3,724	4,091
Less: ECL on other receivables	–	–	(3,724)	(3,724)
Other receivables, net	367	–	–	367
Expected loss rate	0%	N/A	100%	

Other receivables are categorised into the following stages by the Group:

Stage 1

Other receivables have not experienced a significant increase in credit risk since initial recognition and impairment recognised on the basis of 12 months ECL (12-month ECLs).

Stage 2

Other receivables have experienced a significant increase in credit risk since initial recognition and impairment is recognised on the basis of lifetime ECL (Lifetime ECLs non credit-impaired).

Stage 3

Other receivables that are in default and considered credit impaired (Lifetime ECLs credit impaired).



For the year ended 31 October 2025

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Other receivables (Continued)

Included in other receivables was an amount of approximately US\$3,724,000 (2024: US\$3,724,000) in relation to the refund from a supplier as detailed in note 18(b). At the end of the reporting period, the Group has assessed there has been a significant increase in credit risk for the receivable since initial recognition as it was past due and the recoverability is uncertain. The Group measure the loss allowance based on life-time ECL rather than 12-month ECL.

The ECL allowance for other receivables is assessed and determined by reference to the independent professional valuer's assessment in accordance with HKFRS 9 which take into consideration of the relevant stage of credit risk, the credit-rating based on the historical market default records and forward-looking information. As at 31 October 2025, an allowance for an impairment loss of approximately US\$3,724,000 (2024: US\$3,724,000) was recognised for the year then ended.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash outflows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

For bank overdrafts and borrowings which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the Group can be required to pay, that is, if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for obligations under lease liabilities is prepared on the scheduled repayment dates.



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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

As at 31 October 2025

	Carrying amount US\$'000	Total contractual undiscounted cash flows US\$'000	On demand or less than 1 year US\$'000	Between 1 and 2 years US\$'000	Over 2 but less than 5 years US\$'000
Non-derivative financial liabilities					
Trade and other payables	14,691	14,691	14,691	–	–
Bank borrowings	9,005	9,005	9,005	–	–
Bank overdrafts	2,364	2,364	2,364	–	–
Lease liabilities	158	165	60	52	53
	<u>26,218</u>	<u>26,225</u>	<u>26,120</u>	<u>52</u>	<u>53</u>

As at 31 October 2024

	Carrying amount US\$'000	Total contractual undiscounted cash flows US\$'000	On demand or less than 1 year US\$'000	Between 1 and 2 years US\$'000	Over 2 but less than 5 years US\$'000
Non-derivative financial liabilities					
Trade and other payables	6,772	6,772	6,772	–	–
Bank borrowings	4,342	4,342	4,342	–	–
Bank overdrafts	2,328	2,328	2,328	–	–
Lease liabilities	103	110	39	39	32
Convertible bonds	3,586	3,632	3,632	–	–
	<u>17,131</u>	<u>17,184</u>	<u>17,113</u>	<u>39</u>	<u>32</u>



For the year ended 31 October 2025

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

The table below summarises the maturity analysis of bank loans and overdrafts with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts are greater than the amounts disclosed in the “on demand or less than 1 year” time band in the maturity analysis contained in the above table.

Taking into account of the Group’s financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

Maturity Analysis – Bank borrowings and overdrafts subject to a repayment on demand clause based on scheduled repayments

	Within 1 year US\$'000	More than 1 year but less than 2 years US\$'000	More than 2 years but less than 5 years US\$'000	More than 5 years US\$'000	Total outflows US\$'000
At 31 October 2025	11,369	–	–	–	11,369
At 31 October 2024	6,670	–	–	–	6,670

(c) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the Group’s fixed-rate short-term pledged deposits and convertible bonds. The management of the Group considers that the Group’s exposure from these fixed-rate short-term pledged deposits to interest rate risk is not significant.

The Group’s interest rate risk arises primarily from bank overdrafts and borrowings. Bank overdrafts and borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group’s cash flow interest rate risk is mainly concentrated on the fluctuation of Malaysia Basic Lending rate from the Group’s overdrafts and borrowings denominated in Malaysian Ringgit.



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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk (Continued)

The interest rate profile of the Group's bank loans and overdrafts was:

	Effective interest rate %	2025 US\$'000	Effective interest rate %	2024 US\$'000
Variable rate instruments				
Financial liabilities				
– Bank overdrafts (see notes 22 and 24)	6.67	2,364	7.56	2,328
– Bank borrowings (see note 24)	7.26	9,005	7.44	4,342
		<u>11,369</u>		<u>6,670</u>

As at 31 October 2025, it is estimated that a general increase/decrease of 25 basis points (2024: 25 basis points) in interest rates for bank overdrafts and borrowings with all other variables held constant, would decrease/increase the Group's profit for the year and decrease/increase the retained earnings by approximately US\$24,000 (2024: US\$13,000).

The sensitivity analysis above indicates annualised impact on the Group's net interest that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to floating rate instruments which expose the Group to cash flow interest rate risk at that date. The analysis has been performed on the same basis throughout the year ended 31 October 2024.

(d) Foreign currency exchange risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and to keep the net exposure to an acceptable level. The Group will consider hedging significant foreign currency exposure should the need arise.

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, that is, a currency other than the functional currency of the entity to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars, Singapore dollars, Euro and Hong Kong dollars.



For the year ended 31 October 2025

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Foreign currency exchange risk (Continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in United States dollars, translated using the spot rate at the reporting dates.

	31 October 2025			
	United states dollars US\$'000	Singapore dollars US\$'000	Euro dollars US\$'000	Hong Kong dollars US\$'000
<u>Financial assets</u>				
Trade and other receivables	399	3,284	11	–
Cash and bank balances	1,012	110	–	6
<u>Financial liabilities</u>				
Trade and other payables	(784)	(2,191)	(11)	(136)
Gross exposure arising from recognised assets and liabilities	<u>627</u>	<u>1,203</u>	<u>–</u>	<u>(130)</u>
	31 October 2024			
	United states dollars US\$'000	Singapore dollars US\$'000	Euro dollars US\$'000	Hong Kong dollars US\$'000
<u>Financial assets</u>				
Trade and other receivables	1,009	497	–	3
Cash and bank balances	281	300	–	–
<u>Financial liabilities</u>				
Trade and other payable	(266)	(373)	(283)	(284)
Gross exposure arising from recognised assets and liabilities	<u>1,024</u>	<u>424</u>	<u>(283)</u>	<u>(281)</u>



For the year ended 31 October 2025

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Foreign currency exchange risk (Continued)

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's loss after tax (and retained earnings) in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

	31 October 2025		31 October 2024	
	Increase/ (decrease) in foreign exchange rate	Effect on loss after taxation and retained earning US\$'000	Increase/ (decrease) in foreign exchange rate	Effect on loss after taxation and retained earning US\$'000
United States dollars	10% (10%)	50 (50)	10% (10%)	78 (78)
Singapore dollars	7% (7%)	70 (70)	7% (7%)	22 (22)
Hong Kong dollars	8% (8%)	(9) 9	8% (8%)	(17) 17
Euro dollars	9% (9%)	— —	9% (9%)	(19) 19

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after taxation and equity measured in the respective functional currency, translated into United States dollars at the exchange rate ruling at the end of the reporting periods for presentation purposes. The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting periods, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currency of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of the Company and overseas subsidiaries into the Group's presentation currency.



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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments held for trading purposes (see note 19).

The Group's listed investments are listed in Malaysia. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indications, as well as the Group's liquidity needs. Given that the volatility of the stock markets may not have a direct correlation with the Group's investment portfolio, it is impractical to determine the impact that the changes in stock market indices would have on the Group's portfolio of equity investments.

At 31 October 2025, it is estimated that an increase/decrease of 5% (2024: 5%) in the market value of the Group's listed securities, with all other variables held constant, the Group's loss after tax would have decreased/increased by US\$3,200 (2024: US\$5,750).

The sensitivity analysis above indicates the instantaneous change in the Group's loss after tax (and retained profits) that would arise assuming that the change in market value had occurred at the end of the reporting period and had been applied to remeasure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's listed investments would change in accordance with the market values, and that all other variables remain constant. The analysis is performed on the same basis for 2024.

(f) Fair value measurement

Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measurements are those derived from quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 valuations: Fair value measurements are those derived from the lowest level inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 valuations: Fair value measurements are those derived from valuation techniques that include the lowest level inputs for the asset or liability that are not based on observable market data (unobservable inputs).



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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(f) Fair value measurement (Continued)

Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

	Fair value hierarchy	31 October 2025 US\$'000	31 October 2024 US\$'000
Recurring fair value measurements			
Assets:			
Financial assets at FVPL			
Held for trading – listed equity securities	Level 1	64	115
Embedded derivative components of convertible bonds	Level 3	–	2,276

The Group has engaged an independent professional valuer (the “**Valuer**”) performing valuations for the financial instruments, including derivative components of convertible bonds which is categorised into Level 3 of the fair value hierarchy. A valuation report is prepared by the Valuer and the finance team shall liaise with the Valuer to analyse the changes in fair value measurement and report the analysis to the Directors of the Company and the Audit Committee.

During the years ended 31 October 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The fair values of listed equity securities are based on quoted market prices.



For the year ended 31 October 2025

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(f) Fair value measurement (Continued)

Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

	Valuation techniques	Significant unobservable inputs	Range
Embedded derivative components of convertible bonds	Binomial tree option pricing mode	Discount Rate	– (2024: 14.95%)
		Probability of the Extended Maturity Date	–% (2024: 100%)
		Risk free rate	–% (2024: 3.76%)
		Expected volatility	–% (2024: 27.3%)

The fair value of embedded derivative components of convertible bonds is determined using the Binomial tree option pricing model, the discount rate and probability of the Extended Maturity Date are the significant unobservable inputs under this model.

32. CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2025 US\$'000	2024 US\$'000
Contracted but not provided for:		
– Investment in a joint venture (note (i))	–	211
– Acquisition of a subsidiary (note 18(b))	247	237
	<u>247</u>	<u>448</u>

- (i) During the year ended 31 October 2019, 順鋁(上海)汽車科技有限公司 (“順鋁(上海)”), an indirectly wholly-owned subsidiary of the Company, entered into a joint venture agreement (the “JV agreement”) with 上海北斗新能源有限公司 (“Beidou”) pursuant to which both companies agreed to establish a joint venture company, 上海北鋁汽車科技有限公司 (the “JV Company”). Pursuant to the JV agreement, the amount of registered capital of the JV Company shall be RMB3,000,000 while 順鋁(上海) and Beidou shall each account for a capital contribution of RMB1,500,000. During the year ended 2025, the JV Company was deregistered and the Group no longer has any obligations to contribute to its capital after its deregistration.



For the year ended 31 October 2025

33. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

Name of party	Relationship with the Group
SW Excel Tech Engineering Sdn. Bhd.	A company controlled by close family members of a directors
P&P Excel Car Air-Conditioning Sdn. Bhd.	A company controlled by close family members of a director
P&P Excel Tech Engineering Sdn. Bhd.	A company controlled by close family members of a director
Cemerlang Trend Sdn. Bhd.	A company controlled by close family members of a director

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	2025 US\$'000	2024 US\$'000
Short-term employee benefits	962	570
Post-employment benefits	102	56
	<u>1,064</u>	<u>626</u>

(b) Financing arrangements with related parties

As at 31 October 2025, the Group has the following balances with related parties:

	Notes	2025 US\$'000	2024 US\$'000
Amounts due from/(to) related companies			
– P & P Excel Car Air-Conditioning Sdn. Bhd.	(i), (ii)	2	(17)
– P & P Excel Tech Engineering Sdn. Bhd.	(i), (ii)	2	(54)
		<u>4</u>	<u>(71)</u>

Notes:

- (i) The outstanding balances with these parties are unsecured, interest-free and repayable on demand.
- (ii) The outstanding balances are included in trade and other receivables (note 18) and trade and other payables (note 23).



For the year ended 31 October 2025

33. RELATED PARTY TRANSACTIONS (Continued)

(c) Other related party transactions

- (i) During the year ended 31 October 2025, the Company entered into the following material related party transactions:

	2025 US\$'000	2024 US\$'000
Sales of parts and services		
– P&P Excel Tech Engineering Sdn. Bhd.	<u>28</u>	<u>11</u>
Purchases of parts and services		
– P&P Excel Car Air-Conditioning Sdn. Bhd.	1	24
– P&P Excel Tech Engineering Sdn. Bhd.	66	68
– Cemerlang Trend Sdn. Bhd.	<u>–</u>	<u>16</u>
	<u>67</u>	<u>108</u>

The directors of the Company are of the opinion that the above transactions were conducted on terms mutually agreed.

- (ii) The directors of the Group have provided joint and several personal guarantees to the extent of US\$210,000 (2024: US\$210,000) to a bank for the banking facility granted to the Group (note 24).

34. CONTINGENT LIABILITIES

	2025 US\$'000	2024 US\$'000
Performance bonds for contracts in favour of customers	<u>26</u>	<u>26</u>

The above performance bonds were given by banks in favour of some of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and the customers. If the Group fails to provide satisfactory performance to these customers to whom performance bonds have been given, such customers may demand the banks to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks accordingly. The performance bonds will be released upon the completion of the contract work for the relevant customers.



For the year ended 31 October 2025

35. COMPANY LEVEL STATEMENTS OF FINANCIAL POSITION

	2025 US\$'000	2024 US\$'000
Non-current assets		
Investments in subsidiaries (<i>note (i)</i>)	8,491	8,491
Loan to subsidiary (<i>note (ii)</i>)	7,087	7,087
	<u>15,578</u>	<u>15,578</u>
Current assets		
Deposits and prepayments	11	3
Financial assets at fair value through profit or loss	–	2,276
Amounts due from subsidiaries (<i>note (iii)</i>)	43	19
Cash and bank balances	7	7
	<u>61</u>	<u>2,305</u>
Current liabilities		
Other payable	186	189
Amount due to a subsidiary	2,271	1,538
Convertible bonds	–	3,586
	<u>2,457</u>	<u>5,313</u>
Net current liabilities	<u>(2,396)</u>	<u>(3,008)</u>
NET ASSETS	<u>13,182</u>	<u>12,570</u>
CAPITAL AND RESERVES		
Share capital	356	324
Reserves	12,826	12,246
TOTAL EQUITY	<u>13,182</u>	<u>12,570</u>

Note:

- (i) As at 31 October 2025, investments in subsidiaries are carried at cost of US\$8,491,000 (31 October 2024: US\$8,491,000) with no accumulated impairment loss.
- (ii) The loan to subsidiary is unsecured with carrying interest at 7.75% per annum, has 10 years term and is repayable on 1 December 2036. The directors of the Company do not expect repayments from subsidiary within next twelve months from the end of the reporting period.
- (iii) The amounts due from subsidiaries are unsecured, interest free and repayable on demand.



For the year ended 31 October 2025

35. COMPANY LEVEL STATEMENTS OF FINANCIAL POSITION (Continued)

Movements in the Company's reserves:

	Share premium US\$'000	Capital reserve US\$'000	Share option reserve US\$'000	Convertible bonds reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
At 1 November 2023	7,173	8,238	367	1,031	(3,082)	13,727
Lapse of share options	–	–	(6)	–	6	–
Loss for the year and total comprehensive income	–	–	–	–	(1,481)	(1,481)
At 31 October 2024	<u>7,173</u>	<u>8,238</u>	<u>361</u>	<u>1,031</u>	<u>(4,557)</u>	<u>12,246</u>
At 1 November 2024	7,173	8,238	361	1,031	(4,557)	12,246
Issue of conversion of share by convertible bonds	1,988	–	–	–	–	1,988
Lapse of share options	–	–	(2)	–	2	–
Convertible bonds settlement	–	–	–	(1,031)	–	(1,031)
Loss for the year and total comprehensive income	–	–	–	–	(377)	(377)
At 31 October 2025	<u>9,161</u>	<u>8,238</u>	<u>359</u>	<u>–</u>	<u>(4,932)</u>	<u>12,826</u>

Note: Capital reserve represented the difference between the nominal value of the issued share capital of the Company and the net asset value of subsidiaries upon the reorganisation.

Approved and authorised for issue by the board of directors on 23 January 2026.

Pang Chong Yong
Director

Yik Wai Peng
Director