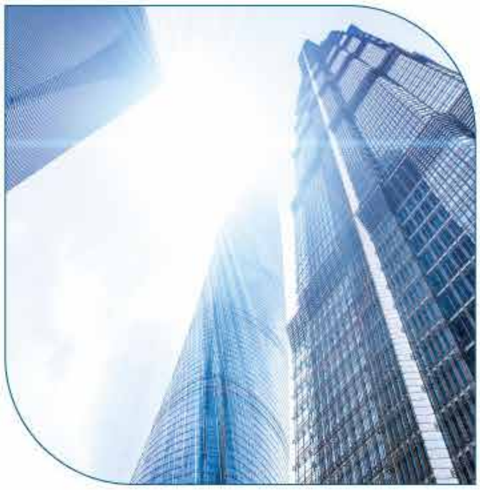
TechnoDex

# EMBRACE
# THE FUTURE



ANNUAL REPORT 2024

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# CORPORATE PROFILE

TechnoDex Bhd. ("TDex" or "the Company"), a MSC-Status company, is a leading eBusiness Enabler through providing technology, and transforming into eBusiness Service Provider in the region. The Company was established on 10 September 2003 and converted into a public limited company on 7 April 2005. TDex was listed on 23 August 2006 on the MESDAQ Market of Bursa Securities Malaysia Berhad, which is now the ACE Market of Bursa Securities Malaysia Berhad (ACE: TDEX 0132).

Traditional business models have changed over time, and they require an injection of new technological capabilities into innovative business delivery. With the ICT foundation of the Company and its subsidiaries ("the Group"), the Group is determined to incubate and transform bricks-and-mortar businesses into eBusiness in order to create synergistic values and profits.

The Group is led by a group of professionals and businessmen from cross-industries, and instilling vast knowledge and values to evolve and transform the Group into eBusiness service provider. The Group's business expanded from traditional ICT solutions and services to recruitment & outsourcing services, eCommerce, IT hardware solutions and content businesses across the government and private sector to consumer market space.

## OUR VALUES

### For Our Clients:

Our mission is to create value through our eBusiness solutions and services. We strive to excel in excellence over and beyond the normal standards. We constantly challenge ourselves if the solutions and/or services can be taken to the next level. By doing so, we would bring synergistic values and profits to both the Clients and the Group.

### For Shareholders and Employees:

We believe the people make up the key element of a successful corporation. We believe a true relationship is nurtured through sharing and growing together. Our mission is to become established among the Malaysian business community for our innovative eBusiness services and our rich knowledge to match the business. Through our innovation, we will create values and growth for our shareholders and employees.

## OUR BUSINESSES

The Group offers a vast selection of value-added services through technological capabilities. Amongst them are: -

### 1) Hardware, Software and Professional Services

i) **ICT Professional Services** comprise Application Development Services, Application Support and Maintenance Services, IT Consultation Services, Business Intelligence (BI) and Big Data solution.

ii) **Cyber Security Solutions and Services**, focusing on cutting-edge solutions like Extended Detection and Response (XDR) and Security Operations Center (SOC) capabilities, through partnerships with industry leaders.

iii) **IT Hardware Solution Development and Support and Maintenance**, we provide a wide range of Automatic Identification and Data Capture (AIDC) devices for manufacturing, logistics, healthcare, and government sectors, Point of Sale (POS) hardware solutions tailored for retail and food & beverage industries, desktops and laptops and related peripherals for consumer and commercial use, labelling solutions and managed services.

iv) **Website-as-a-Service (WaaS) and Digital Marketing solutions** offering a seamless, subscription-based approach to website management and digital marketing, this service ensures businesses have an optimized, secure online presence. It includes website design, hosting, ongoing updates, Search Engine Optimisation (SEO), social media management, and targeted advertising. The result is a hassle-free solution that drives engagement, boosts visibility, and supports business growth in the digital space.

### 2) Manpower Outsourcing and Recruitment Services

**ICT Recruitment and Outsourcing Services** that comprises sourcing, selecting, and outsourcing to fill human resource needs with primary focus on top-tier Artificial Intelligence (AI) and IT talent and non-IT talents in financial and engineering industries.

# CORPORATE STRUCTURE

**Technodex Bhd.**
**(Incorporated in Malaysia)**

100%

**Grayscale Technologies Sdn Bhd**
**(Incorporated in Malaysia)**

- Providing Information Technology Products and related services
- Carrying out relevant research & development activities on Information Technology

51%

**Technodex Accubits Sdn Bhd**
**(Incorporated in Malaysia)**

- Developing and selling IT products and related services to focus on Fintech, Artifical Intelligence (AI), Internet of Things (IOT), Big Data Intelligence and Mobile and Web Application Development

100%

**Grayscale360 Sdn Bhd**
**(Incorporated in Malaysia)**

- Engaged in business of provisions information technology products and related services to focus website development and digital marketing services

99.09%

**Upscale Sdn Bhd**
**(Incorporated in Malaysia)**

- Information Technology Professionals Outsourcing Services
- Information Communication Technology Consultancy
- Information Communication Technology Project Management Services

100%

**Techscale Sdn Bhd**
**(Incorporated in Malaysia)**

- Providing Information and Technology Products and related services
- Carrying out relevant research and development activities

100%

**Evoscale Sdn Bhd**
**(Incorporated in Malaysia)**

- Supplying computer hardware, components and all kind of computer related products

100%

**Green Forte Sdn Bhd**
***(formerly known as Mydata Advisory Sdn Bhd)***
**(Incorporated in Malaysia)**

- Provision of turnkey information technology and engineering solutions and related services that focuses on renewable, environment friendly and green technology industries
- Property development and general construction

100%

**Ecoscale Sdn Bhd**
***(formerly known as T5 Advance Venture Sdn Bhd)***
**(Incorporated in Malaysia)**

- Provision of turnkey information technology and engineering solutions and related services
- Property development and general construction

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**YTM DATO' SERI DIRAJA TAN SRI TENGKU ABDUL HAMID THANI IBNI ALMARHUM SULTAN BADLISHAH**
Non-Independent Non-Executive Chairman

**PEH LIAN HWA**
Non-Independent Non-Executive Deputy Chairman

**TAN SZE CHONG**
Executive Director

**KOAY XING BOON**
Executive Director

**TAN BOON WOOI**
Non-Independent Non-Executive Director

**DATUK ABD HAMID BIN ABU BAKAR**
Independent Non-Executive Director

**SAIFULRIZAM BIN ZAINAL**
Independent Non-Executive Director

**FAIRUZ KARTINI BINTI AHMAD**
Independent Non-Executive Director

## AUDIT COMMITTEE

**Saifulrizam Bin Zainal,** Chairman
**Datuk Abd Hamid Bin Abu Bakar,** Member
**Fairuz Kartini Binti Ahmad,** Member

## NOMINATION AND REMUNERATION COMMITTEE

**Datuk Abd Hamid Bin Abu Bakar,** Chairman
**Saifulrizam Bin Zainal,** Member
**Fairuz Kartini Binti Ahmad,** Member

## STOCK EXCHANGE LISTING

**ACE Market of Bursa Malaysia Securities Berhad**
Stock Name: TDEX
Stock Code: 0132

## REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan
Tel: 603-7725 1777
Fax: 603-7722 3668
Email: cms_cospec@yahoo.com

## CORPORATE OFFICE

Unit E-07-03, Menara Suezcap 2, KL Gateway
No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari
59200 Kuala Lumpur
Tel: 603-7932 0111
Fax: 603-7932 0222
E-mail: general@technodex.com
Website: www.technodex.com

## AUDITORS

**CAS MALAYSIA PLT (201606003206)**
LLP0009918-LCA & AF 1476
Chartered Accountants
B-5-1, IOI Boulevard
Jalan Kenari 5, Bandar Puchong Jaya
47170 Puchong, Selangor Darul Ehsan
Tel: 603-8075 2300
Fax: 603-8600 5463

## SHARE REGISTRAR

**Boardroom Share Registrars Sdn Bhd**
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel: 603-7890 4700
Fax: 603-7890 4670
Email: bsr.helpdesk@boardroomlimited.com

## COMPANY SECRETARIES

**Tea Sor Hua**
(MACS 01324) (SSM PC NO. 201908001272)
**Lee Xiang Yee**
(MAICSA 7068124 (SSM PC NO. 202408000069)

## PRINCIPAL BANKERS

AmBank (M) Berhad
AmBank Islamic Berhad
CIMB Bank Berhad
CIMB Islamic Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. OVERVIEW OF THE GROUP'S BUSINESS

Technodex Bhd ("TDex") since its inception in 2003, has been focusing on the provision of Information Communication Technology ("ICT") solutions and services and has an industry-leading track record of on-time, on-budget projects, aligning our teams with clients' business strategies to achieve top-to-bottom line results. TDex and its subsidiaries ("Group") offers a wide range of ICT solutions and services to Government and private sectors, as well as to consumers through its strong technological, data analytics and consulting capabilities in the following key business segments as below: -

### TechnoDex
### KEY BUSINESS SEGMENTS & SUBSIDIARIES

**Hardware, Software and Professional Services**

**ICT Professional Services**

grayscale

**GRAYSCALE TECHNOLOGIES SDN BHD**
(Incorporated in Malaysia)

- Application Development
- IT Solutions & Consultation
- Cybersecurity Solutions
- Business Intelligence (BI)
- Big Data solution

grayscale 360

**GRAYSCALE360 SDN BHD**
*(formerly known as Idealseed Consultancy Services Sdn Bhd)*
(Incorporated in Malaysia)

- Website-as-a-Service (WaaS)
- Digital Marketing solutions

**IT Hardware Solutions, Managed Services, and Fulfillment Services**

EVOSCALE

**EVOSCALE SDN BHD**
(Incorporated in Malaysia)

- Automatic Identification and Data Capture (AIDC) and Point of Sale (POS) hardware solutions
- Manage Services
- Trade of IT related hardware & peripherals

**Manpower Outsourcing and Recruitment Services**

**ICT recruitment and Outsourcing Services**

Upscale

**UPSCALE SDN BHD**
(Incorporated in Malaysia)

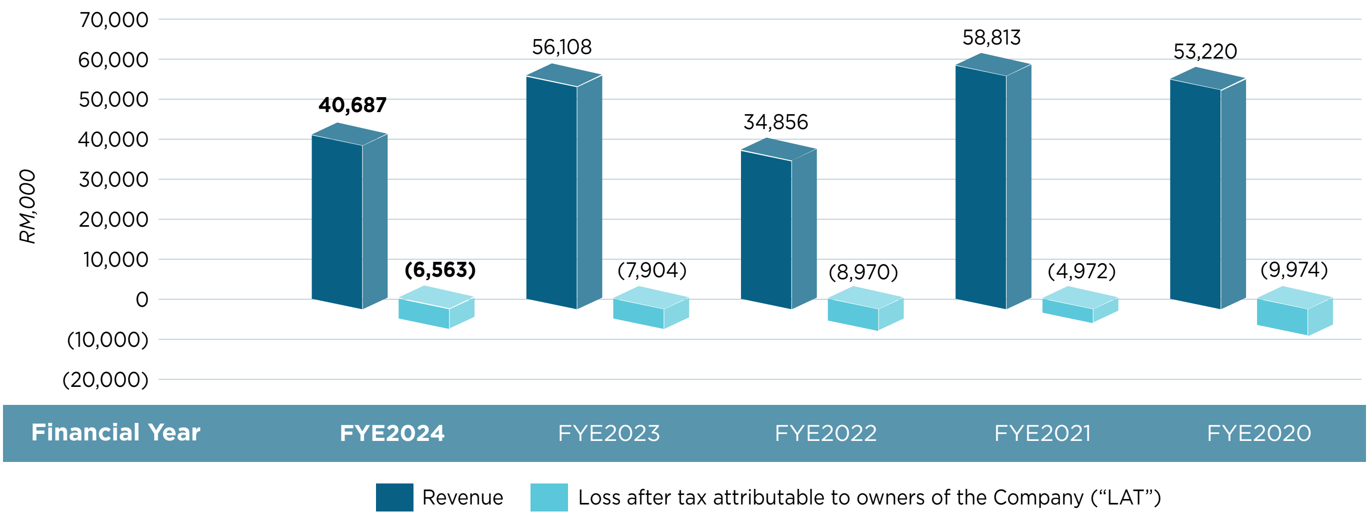
- Recruitment & Outsourcing Services
- Human Resources & ICT Consultancy & Services
- Payroll Outsourcing Services

We aim to enhance profitability and strengthen our market presence in order to support our long-term sustainability and growth. Thus, we will remain committed to provide quality solutions and services, as well as continuously improving our solution and services to expand our customer base and grow our business in the local and regional markets.

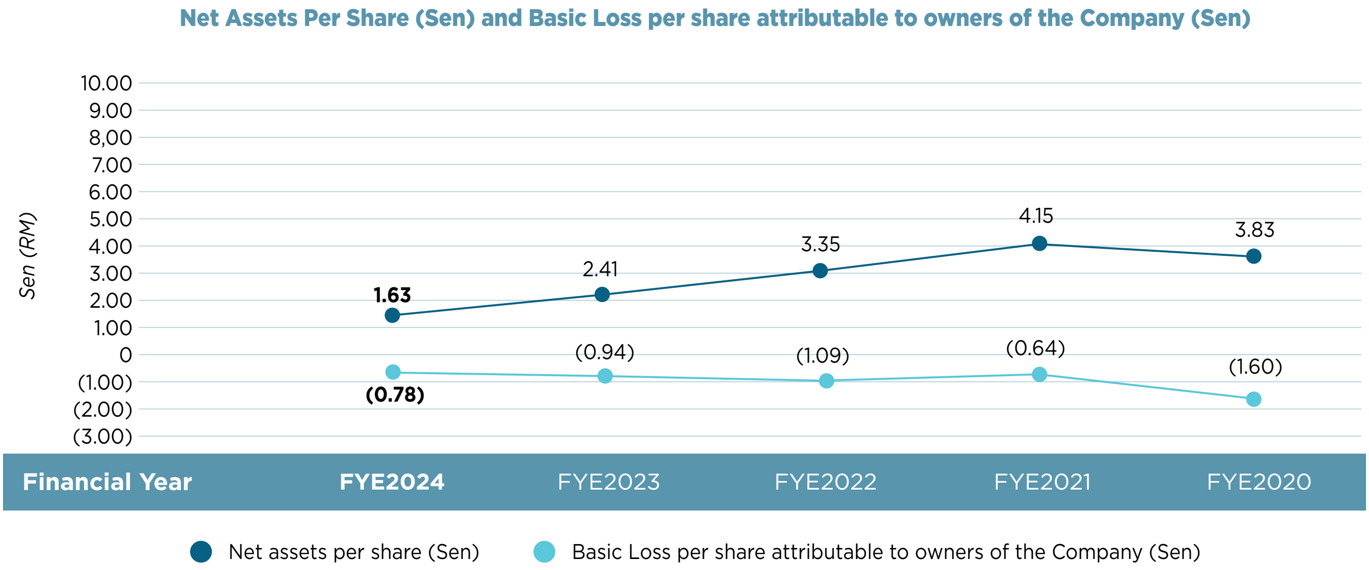
## 2. GROUP FINANCIAL HIGHLIGHTS

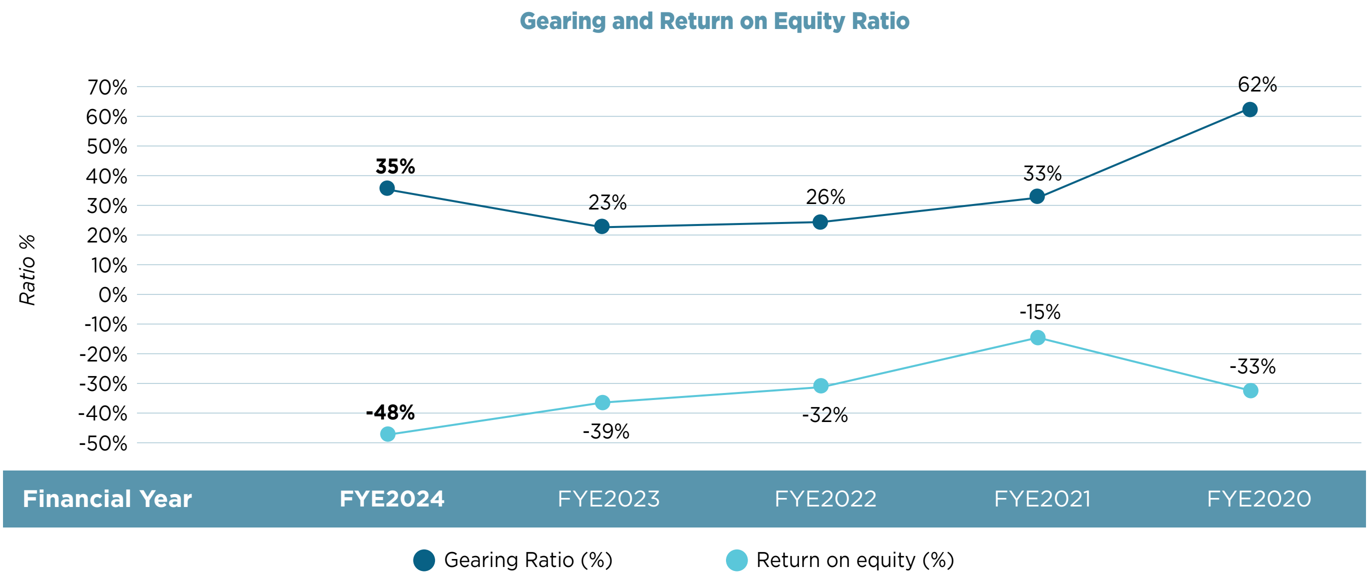
| Financial Year | FYE2024 | FYE2023 | FYE2022 | FYE2021 | FYE2020 |
|---|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| **5 years key financial highlights** | | | | | |
| Revenue | 40,687 | 56,108 | 34,856 | 58,813 | 53,220 |
| Loss after tax attributable to owners of the Company ("LAT") | (6,563) | (7,904) | (8,970) | (4,972) | (9,974) |
| Basic Loss per share attributable to owners of the Company (Sen) | (0.78) | (0.94) | (1.09) | (0.64) | (1.60) |
| Net assets per share (Sen) | 1.63 | 2.41 | 3.35 | 4.15 | 3.83 |
| Total finance lease, loan and borrowing | 4,869 | 4,639 | 7,395 | 11,039 | 18,644 |
| Total equity attributable to owners of the Company | 13,806 | 20,378 | 28,282 | 33,479 | 30,313 |
| Gearing Ratio | 35% | 23% | 26% | 33% | 62% |
| Return on equity attributable to owners of the Company | -48% | -39% | -32% | -15% | -33% |
| Dividend per share | - | - | - | - | - |

**Revenue and LAT - 5 Years Highlight**



## 2. GROUP FINANCIAL HIGHLIGHTS (CONT'D)



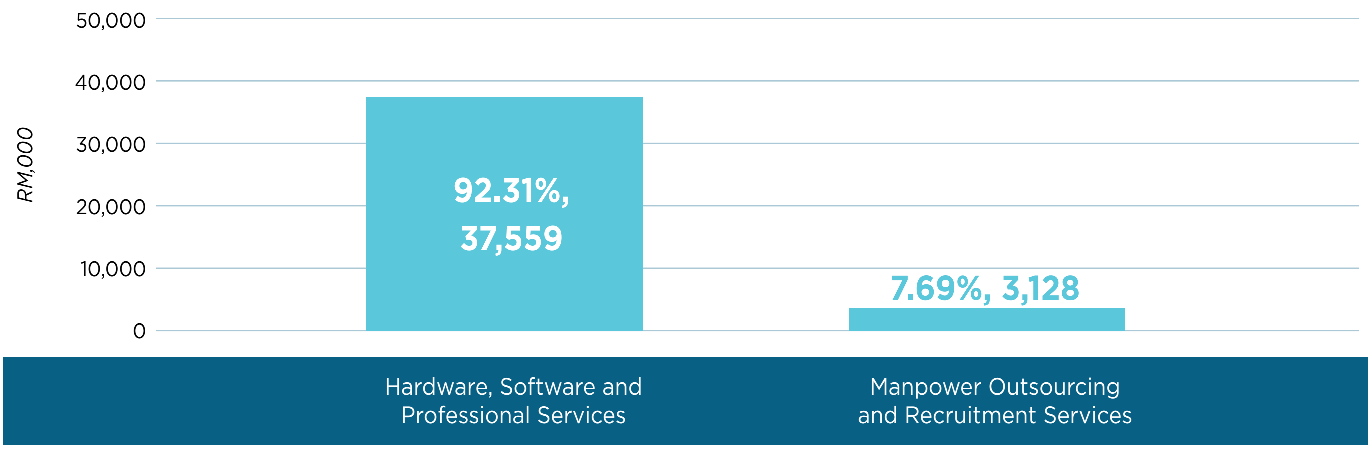
## 3. FINANCIAL REVIEW FYE2024 vis-à-vis FYE2023

Certain key financial indicators pertaining to our financial performance and position for the financial year ended 30 June 2024 ("FYE2024") vis-à-vis the financial year ended 30 June 2023 ("FYE2023") are as follows:-

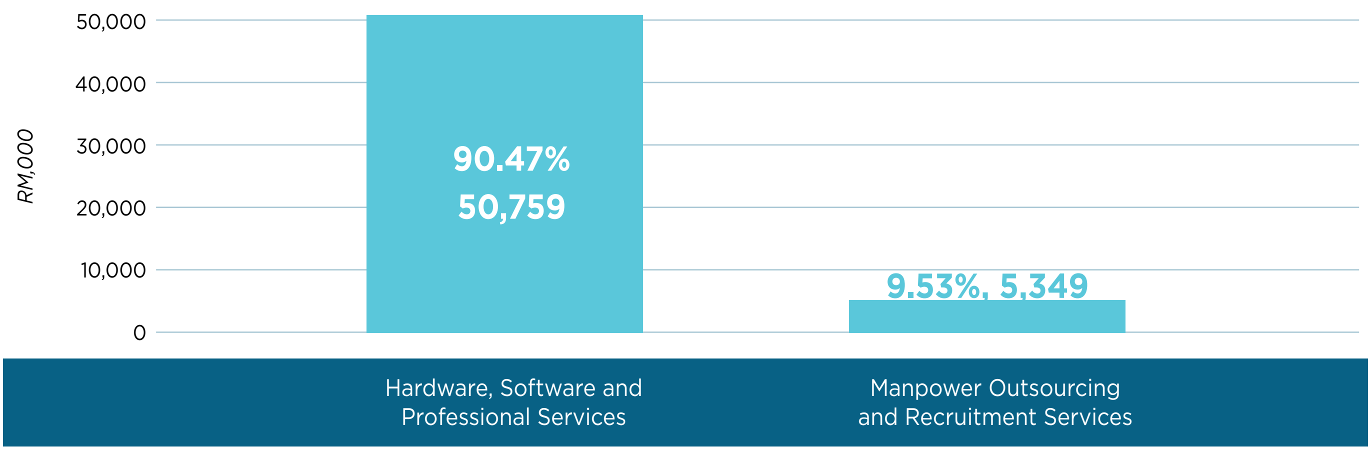
| | FYE2024 | FYE2023 | Variance | |
|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | % |
| **Our financial performance** | | | | |
| Revenue | 40,687 | 56,108 | (15,421) | -27.5% |
| Gross profit | 3,258 | 3,800 | (542) | -14.3% |
| Other operating income | 203 | 345 | (142) | -41.2% |
| Employment benefits and key management personnel's remuneration | (5,393) | (5,532) | 139 | -2.5% |
| Depreciation & amortisation | (845) | (1,887) | 1,042 | -55.2% |
| Fair value loss on investment in quoted shares | - | (247) | 247 | 100.0% |
| Other expenses | (3,452) | (4,059) | 607 | 15.0% |
| Finance costs | (322) | (344) | 22 | -6.4% |
| Loss before tax for the financial year ("LBT") | (6,551) | (7,924) | 1,373 | -17.3% |
| Taxation | (21) | - | (21) | 100.0% |
| Loss after tax for the financial year ("LAT") | (6,572) | (7,924) | 1,352 | -17.1% |
| **Our financial position** | | | | |
| Non-current asset | 2,206 | 3,704 | (1,498) | -40.4% |
| Current assets | 19,786 | 24,373 | (4,587) | -18.8% |
| Total assets | 21,992 | 28,077 | (6,085) | -21.7% |
| Non-current liability | 302 | 661 | (359) | -54.3% |
| Current liabilities | 7,913 | 7,067 | 846 | 12.0% |
| Total Liabilities | 8,215 | 7,728 | 487 | 6.3% |
| Non-controlling interest | (29) | (29) | - | 0.0% |
| Total equity attributable to owners of the Company | 13,806 | 20,378 | (6,572) | -32.3% |

## 3. FINANCIAL REVIEW FYE2024 vis-à-vis FYE2023 (CONT'D)

FYE2024 Revenue RM40,687 ('000) - Segmental Breakdown




FYE2023 Revenue RM56,108 ('000) - Segmental Breakdown




### Review of Financial Performance

Our Group recorded a lower revenue of RM40.69 million in the FYE2024 as compared to RM56.11 million in the previous year. The decrease in revenue of RM15.42 million or 27.5% was mainly attributable to:

(i) lower revenue of RM13.20 million generated from the hardware, software and professional services (FYE2024:RM37.56 million, FYE2023:RM50.76 million) which was mainly attributed to lower contribution from hardware project sales orders due to lower order from our commercial project channel as a result of softer market sentiment; and

(ii) lower revenue of RM2.22 million from the manpower outsourcing and recruitment services (FYE2024:RM3.13 million, FYE2023:RM5.35 million) due to lower contribution from outsourcing contracts and placement services arising from lower contract value from foreign companies and local placement services

Our Group reported loss after tax ("LAT") of RM6.57 million in the FYE2024 as compared to LAT of RM7.92 million in FYE2023, representing a decrease of RM1.35 million or 17.1%.

The decrease in LAT in the FYE2024 was mainly due to lower depreciation and amortisation costs by RM1.04 million to RM0.84 million in the FYE2024 (FYE2023: RM1.89 million) and absence of fair value loss on investment in quoted shares in the FYE2024 (FYE2023: RM0.25 million).

## 3. FINANCIAL REVIEW FYE2024 vis-à-vis FYE2023 (CONT'D)

### Review of Financial Position and Liquidity

The Group's financial position reported positive shareholder fund of RM13.80 million and net current asset of RM11.87 million during the year under review.

Non-current assets comprising property, plant and equipment, right of use assets, goodwill on consolidation as well as other investment, current year amount reduced by RM1.50 million (FYE2024:RM2.20 million, FYE2023:RM3.70 million). This was due to impairment of goodwill on consolidation by RM1.2 million and depreciation of property, plant and equipment and right of use assets.

Total current assets reduced by RM4.58 million (FYE2024:RM19.79 million, FYE2023 RM24.37 million), mainly due to decreased in fixed deposit and cash at bank by RM6.60 million used in operating activities which was partially offset by the increase in inventories by RM2.33 million attributed to ensure we have sufficient stock to meet customer orders and growing demand as we expand in order to minimises supply chain disruptions and supports our goals for reliable service and long-term growth.

Non-current liabilities decreased by RM0.36 million (FYE2024:RM0.30 million, FYE2023:RM0.66 million) mainly for repayment of financing liabilities of right of use assets.

Current liabilities increased by RM0.85 million (FYE2024:RM7.91 million, FYE2023: RM7.06 million) mainly due to bank overdraft was increased by RM0.41 million to FYE2024 of RM3.72 million as compared to FYE2023 of RM3.31 million, as well as increased in amount owing to trade creditors for purchase of trading stocks.

The equity attributable to the owners of the Company stands at RM13.80 million as at 30 June 2024 as compared to RM20.38 million as at 30 June 2023 after the loss after taxation attributable to the owners of the Company of RM6.57 million in the current financial year.

Our business operations are financed by a combination of internal and external sources of funds. Internal sources of funds comprise mainly shareholders' equity and cash generated from our operations, while the external source of funds comprises loans and borrowings and credit terms granted by our suppliers. Credit terms granted to us by our suppliers range from 30 to 60 days. The principal uses of these funds are for working capital requirements, operating, administrative, selling and distribution expenses.

During the financial year, the Group has proposed to undertake a private placement of not more than 10% of the total number of issued shares at an issued price to be determined at a later date. The Company received approval from Bursa Securities on 30 August 2024 for an extension of time up to 28 February 2025 to complete the implementation of the Proposed Private Placement. As at the date of reporting, this proposal is pending implementation. These will help the Group to strengthen its equity base and liquidity.

The management believes that after taking into account our cash and bank balances as well as the funds envisaged to be generated from our business operations and private placement, we will have an adequate working capital to meet our present and foreseeable day-to-day business operations requirements.

Save as aforementioned, we are not aware of any other known trends and events that are reasonably likely to have a material effect on our operations, performance, financial condition and liquidity.

## 4. OPERATING ACTIVITIES & FORWARD-LOOKING

Our Group have taken and will take various measures to weather through and will focus on the development for future growth of our existing businesses and we expected to improve our financial performance to stem from the following various initiatives: -

**a) Market Expansion on IT hardware and Related Peripherals and Services.**

Our Group IT hardware distributing arm is a leading distributor in Malaysia, specializing in advanced technology solutions that support the digitalisation for businesses operation such as Automatic Identification and Data Capture (AIDC) devices for manufacturing, logistics, healthcare, and government sectors, Point of Sale (POS) hardware solutions tailored for retail and food & beverage (F&B) industries, desktops and laptops and related peripherals for consumer and commercial use, labelling solutions and managed services.

Our Group has planned to expand our market presence across key Southeast Asia region markets with strategy exporting from Malaysia to capture the demand for ICT products in the region. On the international market, the depreciation of the local currency presents an opportunity to export our products and services, as well as there has been a marked acceleration in the adoption of digitalisation.

The regional expansion of IT hardware solutions is expected to boost our group revenue stream in order to improve our financial performance.

**b) Expansion of Existing Range of IT Solutions and Services.**

For the financial year under review, our Group has not secured any major contracts for IT professional solutions & services, our Group will continue to expand our existing services and its presence within Malaysia and aboard. Our group will take various measures to weather through and priorities will be given to the following services as follows.

Our Group will expand service to offer Business Intelligence (BI) and Big Data solutions with strategic partners to government, financial, and telecommunications sectors, offering end-to-end services from pre-sales and sales through to full implementation. In addition, our Group is strengthening its cybersecurity portfolio, focusing on cutting-edge solutions like Extended Detection and Response (XDR) and Security Operations Center (SOC) capabilities and to expand the Business IT consultancy, actively exploring opportunities in Smart City initiatives, Smart Farming, and potential AI-driven services in financial consultancy and automation.

Furthermore, our Group had offered new service, a seamless, subscription-based approach to website management and digital marketing, this service ensures businesses have an optimized, secure online presence. It includes website design, hosting, ongoing updates, Search Engine Optimisation (SEO), social media management, and targeted advertising. The result is a hassle-free solution that drives engagement, boosts visibility, and supports business growth in the digital space.

This reflects our commitment to staying at the forefront of innovation and supporting the digital transformation of businesses. These expansion of IT solutions and services which are expected to further improve our financial performance when the benefits from the commercialisation of these above IT solutions and services are reaped.

## 4. OPERATING ACTIVITIES & FORWARD-LOOKING (CONT'D)

**c) Strengthen Sales on Higher Demand and Margin Sector**

Our Group will enhance sales in commercial project channel that IT hardware was sold to customers such as extensive retail chains. Typically, our sales orders to these channels are substantial, which bodes well for our hardware sales and profitability. We will focus on high-demand sectors like F&B and retail to tap an opportunity of the E-Invoicing mandates and will streamlining our product and brand portfolio such as to introduce value AIDC solutions to penetrate the mid-range market segment and emphasize on forefront innovation products such as scan & go technology's self-checkout kiosk terminals.

**d) Diversify Manpower Recruitment and Outsourcing Services**

Our Group will focus on providing specialized recruitment services, with a primary focus on accumulating top-tier AI and IT talent to meet the growing demands of Malaysian industries. As part of our expansion, we have also ventured into talent recruitment for the financial and engineering industries such as power plant sector, addressing the unique needs of these critical industries. Our goal is to ensure that businesses have access to skilled professionals who can drive innovation and operational excellence. By leveraging our expertise, we help organizations secure the right talent to thrive in an evolving technological landscape.

**e) Looking for avenues and business opportunities that will, amongst others, improve or broaden the Group's earnings base.**

In addition, the Group will continue to adopt the strategy of emphasing investment on higher growth and profit margin business. Forward-looking, the Group is also eyeing mergers and acquisitions or joint ventures and diversification opportunities to achieve the Group growth objective.

Barring any unforeseen circumstances, our Board of Directors is confident that that the group will weather oncoming challenges and is cautiously positive about the group's prospects for the next financial year ending 30 June 2025.

## 5. ANTICIPATED OR KNOWN RISKS

We highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below:-

### (i) Technological obsolescence

We are subject to inherent risks associated with the rapid changes in customer requirements, constant technological development as well as evolving industry standards. Failure to manage and respond to these changes will render our solutions obsolete. Our existing market position may also be weakened by the introduction of new or enhanced solutions by competitors.

As such, we seek to limit such risks by actively engaging in research and development. Our Group constantly strives to upgrade our existing infrastructure and computing equipment to ensure that we can cater to rapidly changing market demands.

The Group will place its priority on constantly adapting to rapidly changing market demands, and developing new business software solutions in a timely and cost-effective manner.

### (ii) Competition

The ICT solutions industry is highly competitive and fragmented as there are numerous industry players in Malaysia. Competitive pressures are expected to further increase in the future, and this could have an adverse effect on our pricing position and profitability.

Although our Group has established long-term relationships with key customers, there can be no assurance that the emergence of new competitors will not have an adverse impact on our Group's operations. Notwithstanding this, our Board is of the opinion that our new technology framework platform, coupled with our continuous emphasis on research and development, will enable us to remain relevant in the industry.

### (iii) Credit and Liquidity Risk

The Group's exposure to credit risk mainly arises from its trade receivables. Credit risk is minimised by constantly monitoring the financial standing of the debtors on an ongoing concern basis to mitigate the risk of long outstanding debts. The Group does not have any major concentration of credit risks related to any individual customer and counterparty. For bank deposits, the Group minimises credit risk by dealing exclusively with the reputable financial institution.

## 6. DIVIDEND POLICY

The declaration of interim dividends and the recommendation of final dividend are subject to the discretion of our Board of Directors. No dividends were paid, declared or proposed by the Company since the end of the previous financial year. The Directors also do not recommend any final dividend in respect of the FYE 2024.

As our Company is an investment holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend on distributable profits, operating results, financial condition, capital expenditure plans and other factors that our Board of Directors deems relevant.

# PROFILE OF DIRECTORS

## YTM DATO' SERI DIRAJA TAN SRI TENGKU ABDUL HAMID THANI IBNI ALMARHUM SULTAN BADLISHAH

**Malaysian, Aged 73, Male**
Non-Independent Non-Executive Chairman

YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah ("Tengku Abdul Hamid") was appointed to the Board on 26 October 2020 as the Independent Non-Executive Chairman and subsequently re-designated to Non-Independent Non-Executive Chairman on 22 September 2023. He is also a substantial shareholder of the Company.

Tengku Abdul Hamid graduated in 1971 with a Diploma in Hotel Management from the Mara Institute of Technology.

He is the Executive Chairman of THB group of companies whose core business is federal road maintenance in Penang, Kedah and Perlis, State JPS roads, development and construction in Kedah. He has more than 34 years of experience in the business sector.

Tengku Abdul Hamid is also the Executive Chairman of THB Power Sdn. Bhd., a large-scale power plant in Kedah, Malaysia. He also holds the position of Chairman in Gurun Power Generation Sdn. Bhd., a service provider in the power energy segment.

He does not hold any directorship in other public companies and listed corporations but holds directorship in several private limited companies.

He is the father of Tunku Izzudin Shah Bin Tengku Abdul Hamid Thani, who is a Director of Grayscale Technologies Sdn. Bhd., a subsidiary of the Company.

He attended all four (4) Board Meetings held during the financial year ended 30 June 2024.

## PEH LIAN HWA

**Malaysian, Aged 61, Male**
Non-Independent Non-Executive Deputy Chairman

Mr. Peh Lian Hwa ("Mr. Peh") was appointed to the Board on 26 October 2020 as the Non-Independent Non-Executive Deputy Chairman. Mr. Peh is also a major shareholder of the Company.

Mr. Peh completed his tertiary education in 1984. He is a self-made entrepreneur, mostly involved in entrepreneurial activities throughout his career. He has over 39 years of experience and expertise in the property development and construction industry.

Mr. Peh is the founder of Teguh Harian Sdn. Bhd. group of companies ("Teguh Harian Group"), one of the established property developers in the northern region of Malaysia. He started to delve into the building materials trading and construction business in 1984. Since then, he led the expansion of Teguh Harian Group actively involved in the development of commercial, industrial, residential properties, special projects of hotels, retail malls, specialist medical centres, and controlling a 5-star hotel and quarry.

He Is responsible to provide leadership to the Board, and assisting the Chairman to evaluate the contributions, effectiveness and the performance of the Board.

Currently, Mr. Peh is also the Managing Director of Waja Konsortium Berhad, a company listed on ACE Market of Bursa Malaysia Securities Berhad and he holds directorships in several private limited companies.

He is the father of Mr. Peh Yueh Han, who is a Director of Grayscale Technologies Sdn. Bhd. and Ecoscale Sdn. Bhd. *(formerly known as T5 Advance Venture Sdn. Bhd.)*, subsidiaries of the Company.

He attended all four (4) Board Meetings held during the financial year ended 30 June 2024.

## TAN SZE CHONG

**Malaysian, Aged 55, Male**
Executive Director

Mr. Tan Sze Chong ("Mr. Tan") joined the Board on 22 December 2011, as a Non-Independent Non-Executive Director. He was re-designated as the Executive Director and assumed the position as the Group Managing Director of the Company on 20 September 2013. He was subsequently re-designated as an Executive Director of the Company on 26 October 2020.

Mr. Tan holds a Bachelor of Business in Marketing and Business Management and a Master of Business Administration from the University of North Florida, USA, earned in 1991 and 1992, respectively. With over 30 years of experience in credit information and market research, his career began in 1993 as a Research Analyst at New Strait Times Technology, followed by roles as Research Manager at Taylor Nelson Sofres in 1994. In 1997, he founded InfoCredit International Sdn. Bhd., specializing in credit research, information, and ratings.

In 2000, InfoCredit formed a joint venture with Dun & Bradstreet USA, where Mr. Tan served as Managing Director, overseeing Dun & Bradstreet Malaysia's growth. During his tenure, he introduced credit training modules, ventured into independent market research for IPOs in 2003, and led the creation of Credit Bureau Malaysia through a joint venture with Credit Guarantee Corporation and Association of Banks Malaysia, serving as CEO from 2011 to 2013.

As an Executive Director of Technodex Group, Mr. Tan spearheaded multiple joint ventures and diversified revenue streams for the Group. He directs the Group's strategic vision, emphasizing corporate planning, strategic development, and financial strategy.

Mr. Tan does not hold any directorship in other public companies and listed corporations but holds directorship in several private limited companies.

He attended all four (4) Board Meetings held during the financial year ended 30 June 2024.

## KOAY XING BOON

**Malaysian, Aged 42, Male**
Executive Director

Mr. Koay Xing Boon ("Mr. Dennis Koay") was assumed the role of Executive Director on the Board as of 8 July 2022. Mr. Dennis Koay is a substantial shareholder of the Company.

Mr. Dennis Koay holds a Bachelor's degree in Law from the University of Northumbria. Mr. Dennis Koay is a self-made entrepreneur who initiated his career in property investment in 2005. Over the years, he diversified his business ventures across various sectors.

In 2014, he became a shareholder and took on the position of Chief Financial Officer at THB Power Sdn. Bhd., a substantial power plant in Kedah, Malaysia. His involvement in the power energy segment expanded in 2021 with his participation in Gurun Power Generation Sdn. Bhd.

In 2019, Mr. Dennis Koay invested in bioplantation, partnering with Sinoterra Capital Berhad. The year 2020 saw him investing in OSG Security Services Sdn. Bhd., a licensed security firm, and engaging in Pantheon Assets Sdn. Bhd., an investment holding company.

His entrepreneurial journey also led him into consulting services for project development and government relations under Providence Group Consulting Group in 2021.

Mr. Dennis Koay holds the prestigious title of Ahli Mahkota Kedah (A.M.K) as a Royal Member of Kedah since 2015.

Additionally, he currently serves as the Vice President of the One Belt One Road Economic Friendship Association (OBOR), a global infrastructure development initiative launched by the Chinese Government in 2013, spanning nearly 70 countries and organizations.

He attended three (3) out of four (4) Board Meetings held during the financial year ended 30 June 2024.

## TAN BOON WOOI

**Malaysian, Aged 51, Male**
Non-Independent Non-Executive Director

Mr. Tan Boon Wooi ("Mr. Tan") was appointed to the Board on 8 January 2014 as a Non-Independent Non-Executive Director. He was re-designated as an Executive Director on 29 June 2016. Subsequently, he was re-designated as a Non-Independent Non-Executive Director of the Company on 26 January 2021.

Mr. Tan graduated from the University of Southern Queensland, Australia with a Bachelor of Business in Accountancy in 1994.

Mr. Tan, a trained accountant and entrepreneur, commenced his career with an international accounting firm. He is a member of the Malaysian Institute of Accountants (MIA) and director of several private companies in logistics, property development and business advisory.

Mr. Tan is an Executive Director of Xin Synergy Group Berhad *(formerly known as Jade Marvel Group Berhad)*, a company listed on Main Market of Bursa Malaysia Securities Berhad and he holds directorships in several private limited companies.

He attended all four (4) Board Meetings held during the financial year ended 30 June 2024.

## FAIRUZ KARTINI BINTI AHMAD

**Malaysian, Aged 57, Female**
Independent Non-Executive Director

Pn. Fairuz Kartini binti Ahmad ("Pn. Fairuz"), an Independent Non-Executive Director, joined the Board on 31 May 2023. She is a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

With a distinguished 30-year career in finance an procurement, Pn. Fairuz brings valuable insights and leadership to our organization. She holds a Bachelor of Arts with Honors in Finance with Accounting from the University of East London, Essex, UK, earned in 1990.

Pn. Fairuz's commitment to professional growth is evident through her qualifications, including ACCA certification from Emile Woolf College of Accountancy in 1993 and membership in the Malaysian Institute of Accountants in 2001. In 2002, she was awarded ACCA fellowship, showcasing her advanced financial knowledge.

Her career began at a local audit firm, where she gained insights into financial practices. Joining the Sime Darby Group in September 1994, she progressed from Finance Executive to Accountant, playing key roles in Finance Management, Operational Leadership, Procurement, and Governance with a focus on sustainability.

In addition to her corporate roles, Pn. Fairuz served as an Independent Non-Executive Director at Syarikat Perumahan Negara Berhad from February 2015 to February 2021, contributing to strategic direction and corporate governance. Currently, she serves as an Independent Non-Executive Director in our company, fostering growth, innovation, and responsible leadership.

She does not hold any directorship in other public companies and listed corporations.

She attended all four (4) Board Meetings held during the financial year ended 30 June 2024.

## DATUK ABD HAMID BIN ABU BAKAR

**Malaysian, Aged 69, Male**
Independent Non-Executive Director

Datuk Abd Hamid Bin Abu Bakar ("Datuk Abd Hamid") was appointed to the Board on 20 December 2016 as a Non-Independent Non-Executive Director and re-designated as an Independent Non-Executive Director on 27 June 2019. Datuk Abd Hamid is a member of the Audit Committee and the Chairman of the Nomination and Remuneration Committee of the Company.

Datuk Abd Hamid graduated from the University of Technology Malaysia, with a Bachelor of Surveying in Property Management in 1979. He started his career as a Valuation Officer in the same year at The Valuation and Property Services Department (JPPH), Ministry of Finance Malaysia. During Datuk Abd Hamid's years of service, Datuk Abd Hamid has completed his Post Graduate Diploma in Property Valuation and Management from Sheffield Hallam University, the United Kingdom in 1997. He is a Registered Valuer certified by The Board of Valuers, Appraisers and Estate Agents Malaysia in 1982.

Since 1979, Datuk Abd Hamid had held numerous designations while he was in JPPH, he was the District Valuer, State Valuer and the Deputy Director General of Valuation and Property Services (Operation). At the peak of Datuk Abd Hamid's career, Datuk Abd Hamid was appointed as the Director General of The Valuation and Property Services Department, Ministry of Finance Malaysia from November 2012 till March 2015. During the same period, Datuk Abd Hamid was the President of The Board of Valuers, Appraisers and Estate Agents Malaysia.

Datuk Abd Hamid has more than 28 years of experience in the Property Management industry and hence, Datuk was invited to be the Adjunct Professor at the University of Technology Malaysia from 2013 to March 2015.

He does not hold any directorship in other public companies and listed corporations but holds directorship in several private limited companies.

He attended all four (4) Board Meetings held during the financial year ended 30 June 2024.

## SAIFULRIZAM BIN ZAINAL

**Malaysian, Aged 48, Male**
Independent Non-Executive Director

En. Saifulrizam Bin Zainal ("En. Saifulrizam") was appointed to the Board on 15 December 2017 as an Independent Non-Executive Director of the Company. He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Company.

En. Saifulrizam holds a Master in Business Administration and Finance from the International Islamic University of Malaysia and a Bachelor of Business Administration and Finance (Honour) from the University Technology MARA both under the Bank Negara Malaysia Scholarship.

En. Saifulrizam has more than 24 years of experience in the financial services industry, oil and gas as well as IT industry. He started his career with Bank Negara Malaysia ("BNM") in 1998. He spent stint number of years with BNM involving various National Projects Committee such as Technology Taskforce Committee, Financial Stability Working Group, Financial Sectors Working Group and Malaysia Accounting Standard Board for GP-8 under FRS 139. In 2006, he was assigned to setup a new established organisation under BNM purview namely Perbadanan Insurans Deposit Malaysia or PIDM, a new regulatory and supervisory framework under Deposit Insurance until March 2014.

After leaving PIDM in 2014, he joined Basra Oil Sdn. Bhd. in 2014 as the Chief Financial Officer, the first PETRONAS Premium Dealer for the marine industry in Malaysia. He then moved on to BaseNET Technology Sdn. Bhd. as the Group Chief Financial Officer in 2015. He oversees the IT and Telecommunication sectors until October 2017. He was the Chairman of Koperasi Maal Nizami Negeri Selangor Berhad since 2018 until 2020. He is also the former Chief Executive Officer for ACE Investment Bank Labuan Limited from January 2020 to January 2021.

He does not hold any directorship in other public companies and listed corporations but holds directorship in several private limited companies.

He attended all four (4) Board Meetings held during the financial year ended 30 June 2024.

**Notes**

1. None of the Directors have family relationships with any Director and/or major shareholder of the Company except for the following:
   a) Mr. Peh Lian Hwa is the father of Mr. Peh Yueh Han, who is a Director of Grayscale Technologies Sdn. Bhd. and Ecoscale Sdn. Bhd. *(formerly known as T5 Advance Venture Sdn. Bhd.)*, subsidiaries of the Company.
   b) YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah is the father of Tunku Izzudin Shah Bin Tengku Abdul Hamid Thani, who is a Director of Grayscale Technologies Sdn. Bhd., a subsidiary of the Company.
2. None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
3. None of the Directors have been convicted of any offences in the past five (5) years other than traffic offences, if any, as well as any public sanctions or penalties imposed by relevant regulatory bodies during the financial year ended 30 June 2024.

# PROFILE OF KEY SENIOR MANAGEMENT

## CHUA KEONG LOONG

**Malaysian, Aged 47, Male**
**Chief Executive Officer**
TechScale Sdn. Bhd.
Evoscale Sdn. Bhd.

Mr. Chua Keong Loong ("Mr. Chua") was appointed as the Chief Executive Officer on 1 January 2019, overseeing the business operations of TechScale Sdn. Bhd. ("TechScale") and EvoScale Sdn. Bhd. ("EvoScale").

Mr. Chua started his career in the IT industry in 1997, he progressively covered Sales and Technical-Marketing roles obtaining outstanding results. His commendable sales abilities in the Technology sector allowed him to achieve ambitious results in the industry that induced him to start and successfully grow his own IT Distribution Company in 2003. In 2015, upon merger with TechnoDex Group, Mr. Chua was appointed as the General Manager to Evoscale.

He was mostly involved in entrepreneurial activities throughout his career and always receive unanimous consensus and admiration for his achievements from the market, including the most prestigious 2010 Golden Bull business award and in the same year, the "Best top-100 of SMEs" in Malaysia. In 2011, he was confirmed through the SME Golden Bull as a recognition for his great Sales performances. In the same year, Mr. Chua received the Top SME Young Entrepreneur 2011 award and two years later he achieved the best top 100 of SMEs prize and the SME Excellent Eagles – Golden Eagle.

Currently, Mr. Chua is responsible for managing the overall operations and management of TechScale and EvoScale.

## TAM YUN KIAM

**Malaysian, Aged 51, Male**
**Group Financial Controller**
TechnoDex Bhd.

Mr. Tam Yun Kiam ("Mr. Tam") was appointed as the Group Financial Controller in July 2019. He is responsible for the financial management, human resources and administration management of the Group.

Mr. Tam is a qualified Chartered Accountant and Chartered Management Accountant. He is a member of the Malaysian Institute of Accountants and The Chartered Institute of Management Accountant, England.

He joined the Group on 5 June 2017 and has more than 27 years of working experience covering auditing, taxation, business advisory, corporate finance, human resource management, financial and management accountancy. He had work exposure in the sectors of chartered accountants and consultancy firms, professionally manage medium enterprises and public listed company covering the fast-moving consumer goods, manufacturing, trading, retailing, system integration, project management and consultancy businesses.

He has been working closely with the Executive Directors. Mr. Tam has successfully and effectively implemented various corporate exercises inclusive of fund raising and mergers & acquisitions. Mr. Tam also participated in Technodex Group's strategic planning and execution.

Mr. Tam attended every Board meeting and assisted the Board of Directors to implement its policies and decisions in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, risk management framework, management and financial reporting practices of the Group in compliance with the corporate directive and the statutory and legal requirements for public announcements to the stock exchange.

## SAMUEL QUEK LENG BENG

**Malaysian, Aged 45, Male**
**Chief Technology Officer**
Grayscale Technologies Sdn. Bhd.

Mr. Samuel Quek Leng Beng ("Mr. Samuel Quek") was appointed as the Chief Technology Officer on 1 December 2022, overseeing the business operations of Grayscale Technologies Sdn. Bhd.

Mr. Samuel Quek is a seasoned IT professional, specializing in pragmatic project management, and holds a Master's degree in IT from Charles Sturt University. With over two decades of experience, he has demonstrated his expertise in Banking Services, Insurance, Telecommunications, and Outsourcing facilities. Samuel excels in leading teams, adeptly navigating challenges, and has mentored numerous individuals towards successful project deliveries.

His extensive portfolio encompasses a diverse range of projects, from top-tier telecommunication companies to large-scale banking deployments. Samuel's technical prowess is evident in his development of solutions spanning traditional banking customer service and sales, to cutting-edge digital banking strategies. In sales and pre-sales, he has delved into areas such as security management and smart city planning.

A fervent advocate of leveraging Information Technology for diversified solutions, Mr. Samuel Quek views it as the pivotal bridge towards enhanced governance, efficiency, and productivity. He places significant emphasis on adaptability and continuous personal growth, urging others to master a spectrum of skills and set ambitious goals. His pivotal roles at Lambda Technologies, Aims Technologies, and AsiaOnAir underscore his unwavering commitment to digital engagement and transformative leadership.

## TUNKU IZZUDIN SHAH BIN TENGKU ABDUL HAMID THANI

**Malaysian, Aged 27, Male**
**Chief Marketing Officer**
TechnoDex Bhd.

Tunku Izzudin Shah Bin Tengku Abdul Hamid Thani ("Tunku Izzudin") was appointed as the Chief Marketing Officer on 17 May 2021, overseeing the business operations of TechnoDex Bhd.

At just 27, he assumed the role of Group Chief Marketing Officer at Technodex, catapulting his career from Head of IT in a digital advertising company, where he managed a network of 10,000+ devices and partners. Within a year, he rose to the CEO position, overseeing the entire operation.

His tenure was marked by impressive achievements, including cost reductions, streamlined workflows, and a focus on individual employee growth. He championed internal products and services through demand-generation strategies, bolstering the company's success.

Transitioning to Grayscale Technologies Sdn. Bhd. ("Grayscale"), his focus shifted to sculpting a sustainable business model that extended beyond the core. This strategic expansion into various IT sectors drove Grayscale's dynamic growth.

His leadership style emphasizes trust and empowerment, eschewing micromanagement in favor of prioritizing time and task management. He believes in allowing each individual to shine unless proven otherwise. Providing opportunities for leadership and nurturing the unique strengths of every team member are central to his approach.

Involvement in two significant joint ventures bolstered Grayscale's service offerings, including tech workshops for government agencies and demand-driven product development to resolve governmental challenges.

The vision for Grayscale and TechnoDex is resolute: to lead Malaysia's tech revolution, equipping businesses with state-of-the-art solutions. He takes pride in robust financial performance, innovation, and ethical business practices, extending heartfelt thanks to stakeholders for their unwavering support.

He is son of YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah, the Non-Independent Non-Executive Chairman of the Company.

**Notes**

1. Saved as disclosed above, none of the Key Senior Management has any family relationships with any Director and/or major shareholder of the Company.
2. None of the Key Senior Management has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
3. None of the Key Senior Management has been convicted of any offence in the past five (5) years other than traffic offences, if any, as well as any public sanctions or penalties imposed by relevant regulatory bodies during the financial year ended 30 June 2024.
4. None of the Key Senior Management holds any directorship in public companies and listed issuers.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## INTRODUCTION

The Board of Directors ("the Board") of Technodex Bhd. ("TDex" or "the Company") is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its duties to enhance shareholders' value, consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance ("MCCG"), the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Corporate Governance Guide.

The Board is pleased to set out below the Corporate Governance Overview Statement ("CG Overview Statements") which describes the manner in which the Group has applied the following principles of the MCCG during the financial year ended 30 June 2024 ("FYE 2024"):

A. Principle A - Board leadership and effectiveness;
B. Principle B - Effective audit and risk management; and
C. Principle C - Integrity in corporate reporting and meaningful relationships with stakeholders.

This CG Overview Statement augmented with a Corporate Governance Report ("CG Report") serves in compliance with Rule 15.25(2) of the Listing Requirements of Bursa Securities to provide a detailed articulation on the application of the Group's corporate governance practices as set out in the MCCG throughout the FYE 2024. This CG Report is available on the Company's corporate website at www.technodex.com, as well as via an announcement on the website of Bursa Securities at www.bursamalaysia.com.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### PART I - BOARD RESPONSIBILITIES

**1.1 Board and Board Committee**

The Board collectively leads and is responsible for the performance and affairs of the Group, including practicing a high level of good governance. All Board members are expected to show good stewardship and act professionally as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board has the responsibility in leading and directing the Group towards realising long-term objectives and increasing shareholders' value. The Board retains full and effective control of the Group's strategic plans, implements an appropriate system of risk management and ensures the adequacy and integrity of the Group's system of internal control.

Broadly, the Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:

- Reviewing and adopting a strategic plan for the Group, including addressing the Group's business strategies for promoting sustainability.
- Overseeing the conduct of the Group's business, and evaluating whether or not its businesses are being properly managed.
- Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks.
- Ensuring that all candidates appointed to the Board are of sufficient calibre, including having in place a process to provide for the orderly succession of the members of the Board.
- Overseeing the development and implementation of an investor relations programme and stakeholder communications policy.
- Reviewing the adequacy and integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has also delegated certain responsibilities to the following committees to assist in the execution of its responsibilities:

a. Audit Committee
b. Nomination and Remuneration Committee
*(Collectively referred to as "Board Committees")*

The Board Committees' Terms of Reference ("TOR") can be accessed via the Company's corporate website, www.technodex.com.

Each Board Committee operates in accordance with its respective TOR approved by the Board. The Board upon the recommendation of the Nomination and Remuneration Committee ("NRC"), appoints the members and chairman of each Board Committee.

The role of the Board Committees is to advise and make recommendations to the Board. However, the ultimate responsibility for the final decision on all matters lies with the Board. The Chairman of various committees provide a verbal report on the outcome of their committee meetings to the Board, and any further deliberation is made at the Board level, if required.

**1.2 The Chairman of the Board**

The Board is led by its Chairman, YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah who holds the Non-Independent Non-Executive position and is primarily responsible for the leadership, effectiveness, conduct and governance of the Board. The roles of the Chairman are set out in the Board Charter.

**1.3 The Chairman and Executive Directors**

In line with good corporate practices, the roles of the Chairman and Executive Directors are distinct and separate to ensure that there is a balance of power and authority.

The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Executive Directors have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The detailed roles and responsibilities of the Chairman and Executive Directors are set out in the Board Charter.

**1.4 Qualified and Competent Company Secretaries**

The Board is supported by two (2) Company Secretaries, who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and are also registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. All Directors have access to the advice and service of the Company Secretaries.

The new joint Secretary was appointed by the Board on 1 March 2024 for better management of the Company's secretarial and administrative duties.

The Company Secretaries play an important role in facilitating overall compliance with the Act, Listing Requirements and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensure adherence to the existing Board's policies and procedures. In order to discharge the role effectively, the Company Secretaries have consistently participated in relevant training programme, conference, seminars and/or forums organised by authorities and professional bodies. This ensures they stay updated on corporate governance development and regulatory changes pertinent to their role, enabling them to provide valuable advisory services to the Board.

The Board has direct access to the professional advice and services of the Company Secretaries when performing their duties and discharging their responsibilities.

During the FYE 2024, all Board and Board Committees meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the service and support rendered by our Company Secretaries to the Board in the discharge of her functions

**1.5 Meeting of Board and Board Committees**

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The meeting calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealing in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

The Directors receive notices of meetings, typically at least five (5) working days prior to the date of meetings. This provides sufficient details of matters to be deliberated during the meeting and the information provided therein is not confined to financial data but includes also non-financial information, both quantitative and qualitative, which is deemed critical for the Directors' knowledge and information in arriving at a sound and informed decision.

The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside the Board meetings, board paper along with the Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board meeting.

**1.6 Board Charter**

The Board has formalised and adopted a Board Charter which sets out the composition and balance, roles and responsibilities, operations and processes of the Company. The Board Charter also serves as a source of reference and primary induction literature, providing insights to new Board members.

The Board Charter is subject to periodic review and is updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.

The Board Charter is published on the Company's corporate website at www.technodex.com.

**1.7 Code of Ethics and Conduct**

The Board has adopted a Code of Ethics and Conduct to proactively promote and maintain an ethical corporate culture and enhance corporate governance standards across the Group. The Code of Ethics and Conduct outlines general principles and provide guidance on ethical behavior and professional conduct for Directors and employees, emphasising their duties and obligations. To underscore the importance of the Code of Ethics and Conduct, it has been incorporated in the Board Charter of the Company, which sets out the Board's functions, authority, roles, and responsibilities.

The Code of Ethics and Conduct is published on the Company's corporate website at www.technodex.com.

The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate with the prescribed requirements and best corporate governance practices.

**1.8 Whistleblowing Policy**

The Board has adopted a Whistle Blowing Policy to provide an avenue for all employees of the Group and members of the public to report or disclose any violations or wrongdoings that may be observed in the Group without fear or retaliation should they act in good faith when reporting such concerns. The Whistle Blowing Policy aligns with the Act and Section 17A of the MACC Act ("the Acts"), offering protection to individuals who disclosed breaches or non-compliance with the Acts or reported serious offences such as fraud and dishonesty.

The Board will review and update the Whistle Blowing Policy at least one every three (3) years to ensure that it remains relevant to the Group's changing business circumstances and/or comply with the applicable laws and regulations.

The Whistle Blowing Policy is published on the Company's corporate website at www.technodex.com.

**1.9 Anti-Bribery and Corruption Policy**

The Board has also adopted an Anti-Bribery and Corruption Policy ("ABC Policy") in accordance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018. This ABC Policy outlines the Company's stance on bribery and corruption and establishes the responsibilities of all individuals working for the Group in observing and upholding this position. The ABC Policy also provides clear antibribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties. Furthermore, the ABC Policy offers guidelines for the prevention, management, and remediation of bribery and corruption related risks, ensuring that the Company maintains the highest standards of ethical conduct.

The ABC Policy will be reviewed at least once in every three (3) years and in accordance with the needs of the Company to ensure it continues to remain relevant and appropriate. The ABC Policy is published on the Company's corporate website at www.technodex.com.

**1.10 Directors' Fit and Proper Policy**

In line with the new Rule 15.01A of the Listing Requirement, the Board had adopted the Directors' Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Directors who are seeking re-election at the annual general meeting.

The Directors' Fit and Proper Policy ensures that the NC and the Board adhere to rigorous standards in their evaluation of candidates, enabling them to select Directors who possess the necessary qualifications, experience, and integrity to serve effectively on the Board.

The Directors' Fit and Proper Policy shall be reviewed by the Board from time to time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices.

The Directors' Fit and Proper Policy is published on the Company's corporate website at www.technodex.com.

**1.11 Sustainability Governance**

The Board believes that sustainable business practices are essential to the creation of long-term value and that responsibly running the business is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance which the Sustainability Statement has provided a detailed articulation in this Annual Report.

## PART II – COMPOSITION OF THE BOARD

### 2.1 Board Composition

The current Board composition of the Company represents a mix of knowledge, skills and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The Board currently has eight (8) members comprising one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Non-Executive Deputy Chairman, two (2) Executive Directors, one (1) Non-Independent Non Executive Director and three (3) Independent Non-Executive Directors. The composition is as follows: -

| Name | Designation |
|---|---|
| **YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah** | Non-Independent Non-Executive Chairman |
| **Peh Lian Hwa** | Non-Independent Non-Executive Deputy Chairman |
| **Tan Sze Chong** | Executive Director |
| **Koay Xing Boon** | Executive Director |
| **Tan Boon Wooi** | Non-Independent Non-Executive Director |
| **Datuk Abd Hamid Bin Abu Bakar** | Independent Non-Executive Director |
| **Saifulrizam Bin Zainal** | Independent Non-Executive Director |
| **Fairuz Kartini Binti Ahmad** | Independent Non-Executive Director |

This current composition of the Board complies with Rule 15.02(1) of the Listing Requirements of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The Board currently has one (1) female director which is Pn. Fairuz Kartini Binti Ahmad as the Independent Non-Executive Director, which reflects the Board's commitment towards achieving a more gender diversified Board.

The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

### 2.2 Tenure of Independent Directors

The Board acknowledges the recommendation by the MCCG that the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years. However, if the Board intends to retain a Director who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. Furthermore, the Board recognises that as per the Listing Requirements of Bursa Securities, the tenure of an Independent Non-Executive Director should not exceed a cumulative term of twelve (12) years.

During the financial year under review, none of our Directors has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

The Company has not adopted a policy that limits the tenure of its Independent Non-Executive Directors to nine (9) years. Notwithstanding that, the Company conducts an annual evaluation of their independence through the Annual Evaluation of Independence of Directors. This evaluation ensures that the Independent Non-Executive Directors remain free from any business or other relationship that could compromise their independent judgement or their ability to act in the best interests of the Company.

**2.3 Appointment of Board and Senior Management**

Appointment of the Board and recruitment of Senior Management are based on objective criteria, merit and besides gender diversity, due regard is placed for a required mix of skills, experience, independence, age, integrity, core competencies and cultural background.

The members of the Board are appointed in a formal and transparent practice as endorsed by the MCCG. The NRC scrutinises the candidates and recommends the same for the Board's approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate shall bring to complement the Board.

In searching for suitable candidates, the NRC may receive suggestions from existing Board Members, Management and major shareholders. The NRC is also open to referrals from external sources or independent search firms.

**2.4 Board Diversity and Key Senior Management Team**

The Board is supportive of the diversity of the Board and Key Senior Management team. The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, including the selection of Board members and Key Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Group.

In the event that a vacancy occur on the Board, the Board, facilitated by the NRC, will factor in female representation when identifying suitable candidates. However, the selection of a new Board member will not be based solely on gender but will also consider the candidate's skill sets, experience, and knowledge. The Company's primary focus in new appointments is always to choose the most qualified candidates. Therefore, the usual selection criteria, emphasising a robust combination of competencies, skills, extensive experience, and knowledge to enhance the Board, remains paramount.

In view of the gained attention of boardroom diversity as an important element of a well-functioned organization, the Board has adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board and senior management level. Presently, the Board consists of one (1) female Director, namely Pn. Fairuz Kartini Binti Ahmad.

### 2.5 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within clearly defined TOR. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular issues.

The Board has established two (2) Board Committees and the membership of each committee is set out in the table below:-

| Composition | AC | NRC |
|---|---|---|
| **YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah** *(Non-Independent Non-Executive Chairman)* | N/A | N/A |
| **Peh Lian Hwa** *(Non-Independent Non-Executive Deputy Chairman)* | N/A | N/A |
| **Tan Sze Chong** *(Executive Director)* | N/A | N/A |
| **Koay Xing Boon** *(Executive Director)* | N/A | N/A |
| **Tan Boon Wooi** *(Non-Independent Non-Executive Director)* | N/A | N/A |
| **Datuk Abd Hamid Bin Abu Bakar** *(Independent Non-Executive Director)* | Member | Chairman |
| **Saifulrizam Bin Zainal** *(Independent Non-Executive Director)* | Chairman | Member |
| **Fairuz Kartini Binti Ahmad** *(Independent Non-Executive Director)* | Member | Member |

The TOR of the respective Board Committees are available on the Company's corporate website at www.technodex.com.

### 2.6 NRC

The NRC of the Company is chaired by Datuk Abd Hamid Bin Abu Bakar, an Independent Non-Executive Director of the Company.

The NRC of the Company comprises the following members, all being Independent Non-Executive Directors:

| Name | Designation |
|---|---|
| **Datuk Abd Hamid Bin Abu Bakar** (Chairman) | Independent Non-Executive Director |
| **Saifulrizam Bin Zainal** (Member) | Independent Non-Executive Director |
| **Fairuz Kartini Binti Ahmad** (Member) | Independent Non-Executive Director |

The NRC of the Company is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis.

The NRC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.

In searching for suitable candidates, the NRC may leverage on various sources and gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, management and major shareholders, the NRC also refers to the potential candidates from the industry taking into consideration their education, skills and experience background.

The TOR of the NRC is published on the Company's corporate website at www.technodex.com.

The activities carried out by the NRC during the FYE 2024 are as follows: -

(i) Reviewed and assessed the Executive Directors and Non-Executive Directors' Annual Performance Evaluation Forms.

(ii) Evaluated the balance of skills, knowledge and experience of the Board and in the light of this evaluation, reviewed the role of the Non-Independent Non-Executive Chairman and Executive Directors respectively, to ensure a balance of power and authority, and a clear division of responsibilities.

(iii) Reviewed and assessed the performance of the Audit Committee.

(iv) Reviewed the independence of the Independent Directors.

(v) Reviewed and recommended to the Board for consideration, the re-election of Directors who retired by rotation pursuant to the Constitution of Company at the last Annual General Meeting held on 5 December 2023.

(vi) Reviewed and evaluated the independence of an Independent Director of the Company.

(vii) Reviewed and recommended to the Board the remuneration package and directors' fee and/or benefit of all the Directors of the Company.

**2.7 Board Appointment and Re-appointment Process**

The NRC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Director, NRC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. The Board has in the review of the skills of Directors, including information technology, legal, public relations and experience in the retailing industry as the matrix of skills of Directors that would be prioritised when selecting candidates for appointment to the Board.

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once (1) in every three (3) years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NRC considers their competencies, commitment, contribution, performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment and continuation in office of any Director for shareholders' approval at the AGM.

### 2.8 Annual Assessment of Effectiveness of the Board and Board Committees as whole

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Board Committees. The NRC has entrusted the task of reviewing and evaluating the individual Director's performance and the effectiveness of the Board and the Board Committees on an annual basis.

The NRC is required to report annually to the Board an assessment of the performance of the Board and the Board Committees. This will be discussed with the Board. The NRC will also evaluate each individual Director's contributions to the effectiveness of the Board and the relevant Board Committees.

In evaluating the performance of Non-Executive Directors, certain criteria were established and adopted, amongst others, attendance at Board and/or Board Committee meetings, adequate preparation for Board and/or Board Committee meetings, regular contribution to Board and/or Board Committee meetings, personal input to the role and other contributions to the Board and/or Board Committee as a whole.

In evaluating the performance of Executive Directors, the assessment was carried out against diverse key performance indicators, amongst others, financial performance, strategic, operations management and business plans, product development, conformance and compliance, stakeholders' relation, employee training and development, succession planning and personal input to the role.

### 2.9 Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. All the Directors have attended more than 50% of the total Board Meetings held during the FYE 2024 and complied with the requirement on attendance at Board meetings as stipulated in the Listing Requirements of Bursa Securities.

The number of meetings held and attended by each member of the Board and Board Committees during the FYE 2024 are as follows:

| Type of Meetings / Name of Directors | Board of Directors | AC | NRC |
|---|---|---|---|
| | No. of Meetings Attended | | |
| **YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah** | 4/4 | N/A | N/A |
| **Peh Lian Hwa** | 4/4 | N/A | N/A |
| **Tan Sze Chong** | 4/4 | N/A | N/A |
| **Koay Xing Boon** | 3/4 | N/A | N/A |
| **Tan Boon Wooi** | 4/4 | N/A | N/A |
| **Datuk Abd Hamid Bin Abu Bakar** | 4/4 | 4/4 | 1/1 |
| **Saifulrizam Bin Zainal** | 4/4 | 4/4 | 1/1 |
| **Fairuz Kartini Binti Ahmad** | 4/4 | 4/4 | 1/1 |

To facilitate the Directors' time planning, the meetings calendar was prepared in advance for each new year by the Company Secretaries. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting.

### 2.10 Directors' Training

The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. In addition, individual Directors are responsible for determining their continuous training needs to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programmes.

The Directors will continue to undergo annually other relevant training programmes, courses, talks, conferences and seminars to keep abreast of relevant changes in laws and regulations, and development in the industry in order to further enhance their skills and knowledge.

The training programmes, seminars and/or conferences attended by the Directors during the FYE 2024 are as follows:

| Name of Directors | Programmes/Seminars attended |
|---|---|
| **YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah** | • Key Amendments to the ACE Market Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments. |
| **Peh Lian Hwa** | • Key Amendments to the ACE Market Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments. |
| **Tan Sze Chong** | • Key Amendments to the ACE Market Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments. |
| **Koay Xing Boon** | • Key Amendments to the ACE Market Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments. |
| **Tan Boon Wooi** | • Key Amendments to the ACE Market Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments. |
| **Datuk Abd Hamid Bin Abu Bakar** | • Key Amendments to the ACE Market Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments. |
| **Saifulrizam Bin Zainal** | • Key Amendments to the ACE Market Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments. |
| **Fairuz Kartini Binti Ahmad** | • Key Amendments to the ACE Market Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments. |

## Part III – REMUNERATION

### 3.1 Remuneration Policy

The Board through NRC aims to set remuneration at levels that are sufficient to attract and retain Directors.

The Board had through the NRC, established a formal and transparent remuneration policies and procedures which set out the principles and guidelines for the Board and the NRC to determine the remuneration of Directors and/or Senior Management of the Company, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.

The remuneration is reviewed by the NRC on an annual basis prior to making its recommendations to the Board for approval. In its review, the NRC considers various factors including the Directors' fiduciary duties, time commitments and expertise expected from them and the Company's performance.

The Remuneration Policy is available at the Company's corporate website at www.technodex.com.

### 3.2 Remuneration of Directors

The Board determines the remuneration of Executive Directors and Non-Executive Directors by taking into consideration the recommendations of the NRC. Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration. The aggregate amounts of Directors' fees to be paid to the Directors are subject to the approval of the shareholders at the AGM.

The remuneration of the Directors of the Company and the Group for the FYE 2024 are as follows: -

**The Company**

| Name of Directors | RM'000 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Fees | Allowance | Salary | Bonus | Benefits in Kind | Other Emoluments | Total |
| YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah | 120 | - | - | - | - | - | 120 |
| Peh Lian Hwa | 120 | - | - | - | - | - | 120 |
| Tan Sze Chong | - | - | 240 | - | - | - | 240 |
| Koay Xing Boon | - | - | 240 | - | - | - | 240 |
| Tan Boon Wooi | 30 | - | - | - | - | - | 30 |
| Datuk Abd Hamid Bin Abu Bakar | 30 | - | - | - | - | - | 30 |
| Saifulrizam Bin Zainal | 30 | - | - | - | - | - | 30 |
| Fairuz Kartini Binti Ahmad | 30 | - | - | - | - | - | 30 |
| **TOTAL** | **360** | **-** | **480** | **-** | **-** | **-** | **840** |

**The Group**

| Name of Directors | RM'000 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Fees | Allowance | Salary | Bonus | Benefits in Kind | Other Emoluments | Total |
| YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah | 120 | - | - | - | - | - | 120 |
| Peh Lian Hwa | 120 | - | - | - | - | - | 120 |
| Tan Sze Chong | - | - | 240 | - | - | - | 240 |
| Koay Xing Boon | - | - | 240 | - | - | - | 240 |
| Tan Boon Wooi | 30 | - | - | - | - | - | 30 |
| Datuk Abd Hamid Bin Abu Bakar | 30 | - | - | - | - | - | 30 |
| Saifulrizam Bin Zainal | 30 | - | - | - | - | - | 30 |
| Fairuz Kartini Binti Ahmad | 30 | - | - | - | - | - | 30 |
| **TOTAL** | **360** | **-** | **480** | **-** | **-** | **-** | **840** |

### 3.3 Remuneration of Senior Management

Due to the confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board views that the disclosure of the remuneration of Senior Management would not be in the best interest of the Company given the competitive human resources environment and may give rise to recruitment and talent retention issues.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART I – AUDIT COMMITTEE ("AC")

### 4.1 Effective and Independent AC

The AC is chaired by an Independent Non-Executive Director who is distinct from the Chairman of the Board. All members of the AC are financially literate. The AC has full access to both the internal and external auditors, who, in turn, have access at all times to the Chairman of the AC.

The AC comprises three (3) members. The composition of the AC complies with Rules 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of MCCG whereby all three (3) AC members are Independent Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

None of the members of AC were former key audit partners and to uphold utmost independence, the Board has no intention to appoint any former key audit partner as a member of the AC.

The term of office and performance of the AC and its members are reviewed by the NRC annually to determine whether such AC and members have carried out their duties in accordance with the terms of reference.

### 4.2 External Auditors

The Board maintains a transparent and professional relationship with the Group's external auditors which has been accorded the authority to communicate directly with the external auditors. The criteria for the external auditors' assessment include quality of services, the sufficiency of resources, communication and interaction, audit planning, independence, objectivity and professional scepticism. In determining the independence of the external auditors, the AC reviewed and assessed all aspects of their relationships with them including the processes, policies and safeguards adopted by the Group and the external auditors relating to audit independence. The AC also reviewed and assessed the external auditor's performance and independence.

The AC meets with the external auditors to review the scope and adequacy of the audit process, updates on the financial reporting standards, the financial statements and their audit findings. In addition, the external auditors are invited to attend the Company's AGM so that they are available to answer any questions from shareholders on the conduct of the statutory audit and the contents of the Annual Audited Financial Statements.

The AC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors and the proposed audit fees before recommending to the Board for approval.

### PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### 5.1 Risk Management and Internal Control

The Board acknowledges its overall responsibilities for maintaining a sound system of internal controls which includes financial controls, operational and compliance controls and risk management to safeguard shareholders' interests and the Company's assets. The Group's system of internal control is regularly reviewed to ensure its effectiveness. While acknowledging its responsibility for the system of internal control, the Board is aware that such a system cannot eliminate risks and thus can never be an absolute assurance against the Group's failure to achieve its objectives. The Group's Statement on Risk Management and Internal Control for the FYE 2024 is as set out in this Annual Report.

#### 5.2 Internal Audit Function

The internal audit function is outsourced to an independent professional consulting firm namely Vaersa Advisory Sdn. Bhd. ("IA") to carry out internal audit services for the Group. The IA is precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.

To ensure that the responsibilities of IA are fully discharged, the AC had evaluated the performance of the IA for the FYE 2024. The AC concluded its assessment that the IA has sufficient experience and resources to satisfy their terms of reference and adequately deliver quality services to the Company and its subsidiaries.

The details of the internal audit function and activities are set out in the AC Report of this Annual Report.

## PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### PART I – COMMUNICATION WITH STAKEHOLDERS

#### 6.1 Continuous Communication with Stakeholders

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements. Shareholders will receive regular communication from the Company through the release of announcements, quarterly reports, annual reports and circulars to Bursa Securities.

The Company's corporate website at www.technodex.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news, events, and announcements to Bursa Securities relating to the Group.

The Board has also created an investor relation section on the Company's corporate website at www.technodex.com for information on corporate, financial, corporate governance and stock prices, which is accessible to the public.

#### 6.2 Corporate Disclosure Policy

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, that information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Board has formalised and adopted a Corporate Disclosure Policy to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group to regulators, shareholders and stakeholders.

## PART II – CONDUCT OF GENERAL MEETINGS

### 7.1 Annual General Meeting

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode of shareholders' communication. These include the supply of comprehensive and timely information to shareholders and encouraging active participation at the general meetings.

The AGM remains a principal forum used by the Group for communication with its shareholders. The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group.

The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group.

The notice of AGM is given to shareholders at least 28 days before the AGM to allow shareholders sufficient time to read through the Annual Report and make the necessary attendance and voting arrangements. The Notice for the Twentieth AGM of the Company which is scheduled to be held on 10 December 2024 was sent to the shareholders on 30 October 2024, which is more than 28 days before the date of the AGM.

### 7.2 Effective Communication and Proactive Engagement

All Directors had attended the Nineteenth AGM ("19th AGM") of the Company held on 5 December 2023 and was accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group at the 19th AGM. The external auditors were also invited to attend the 19th AGM and assist the Board in addressing relevant queries made by the shareholders.

From the Company's perspective, the AGM also serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during and at the end of shareholders' meetings and ensures their queries are responded to properly and systematically.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 19th AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 19th AGM was also published on the Company's corporate website for the shareholders' information.

# STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements on corporate governance and all applicable laws and regulations throughout the FYE 2024, except for the departures set out in the CG Report.

The Company shall continue to strive for high standards of corporate governance through the Group, and the highest level of integrity and ethical standards in all of its business dealings.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Introduction

The Board of Directors (“the Board”) of Technodex Bhd. (“TDex” or “the Company”) is committed towards maintaining a sound system of internal control and risk management and is pleased to provide this Statement on Risk Management and Internal Control (“this Statement”) which outlines the scope and nature of internal controls and risk management of TDex and its subsidiaries (“the Group”) for the financial year ended 30 June 2024 (“FYE 2024”).

For the purpose of disclosure, this Statement is prepared pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("Listing Requirement") of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers and the Malaysian Code on Corporate Governance.

## Responsibility for Risk Management and Internal Control

The Board recognises the importance of risk management and risk-based internal audit to establish and maintain a sound system of risk management and internal control. The Board affirms its overall responsibility for the Group’s systems of internal control and for reviewing the adequacy and integrity of those systems. Because of the limitations that are inherent in any system of internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, fraud or loss.

The Board has received assurance from the Executive Directors that the Group’s risk management and internal control have operated adequately and effectively in all material aspects, based on the risk management and internal control system of the Group during the financial year under review.

## Risk Management Framework

The Board regards the Management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enable the Group to make cautious, mindful and well-informed decisions through the formulation and implementation of requisite action plans and monitoring regimes which are imperative in ensuring the accomplishment of the Group’s objectives.

## Internal Control System

The Key Elements of the Group’s Internal Control System include:

a. Clearly defined Terms of Reference of the Board Committee, i.e. Audit Committee, Nomination and Remuneration Committee.
b. Organisational structure with clearly defined lines of responsibility, authority and accountability.
c. Policies and procedures for key business processes are formalised and documented for implementation and continuous improvements.
d. Clearly defined authorisation limits at appropriate levels are set out for controlling and approving capital expenditures and expenses.
e. Clearly defined Internal Policies, Standard Operating Procedures and Personnel Manual as the key framework for good internal control practices.
f. Regular Management and Operation meetings were conducted to ensure activities and risk mitigation actions were executed as proposed.
g. Key information covering financial performance and key business aspects are provided to the Senior Management and Board of Directors on a regular and timely basis.
h. There has been active participation by the Executive Directors in the day-to-day running of business operations and regular dialogue and reporting to the Board of Directors.

## Internal Audit Functions

The Board acknowledges the importance of the internal audit function. The Board has outsourced its internal audit function to an independent professional consulting firm as part of its efforts to provide adequate and effective internal control systems. The internal audit function is carried out in accordance with the internal audit plan as reviewed by the Audit Committee. The internal audit function adopts accepted auditing practices in addition to independent and objective reporting on the state of the Group's internal control system.

During the financial year under review, the outsourced Internal Auditors reviewed critical business processes, identifying risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the key subsidiary and recommended possible improvements to the internal control systems. This is to provide reasonable assurance that such a system continues to operate satisfactorily and effectively within the Group. The Board continuously takes measures to strengthen the control environment.

During the financial year under review, there were no material losses incurred as a result of weaknesses in the internal control system that would require disclosure in this Annual Report. The Board will continue to improve and enhance the existing system of risk management and internal control to ensure its adequacy and relevance in safeguarding the shareholders' interests and the Group's assets.

The total cost incurred for the internal audit function was RM21,000 for the FYE 2024.

## Review of Statement by External Auditors

Pursuant to Rule 15.23 of the Listing Requirement of Bursa Securities, the External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the FYE 2024. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management process and system of internal control. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with the material internal control aspects of significant problems, if any, disclosed in this Annual Report will, in fact, remedy the problems.

Based on their review, the external auditors reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system.

## Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

For the FYE 2024 under review up to the date of this Statement, the Board is of the view that the risk management and internal control system is sound and adequate to safeguard the Group's operations and assets at the existing level of operations of the Group. No material weakness and/or reported shortfall in the risk management and internal control system has resulted and/or given rise to any material loss, contingency and/or uncertainty.

This Statement is made in accordance with the resolution of the Board dated 28 October 2024.

# AUDIT COMMITTEE REPORT

## OBJECTIVE OF THE AUDIT COMMITTEE

The principal objective of the Audit Committee is to assist the Board of Directors ("the Board") of Technodex Bhd. ("TDex" or "the Company") in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, risk management framework, management and financial reporting practices of the Company and its subsidiaries ("the Group") and to ensure proper disclosure to the shareholders of the Company.

## COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises three (3) members, all of them being Independent Non-Executive Directors:-

| Name | Designation |
|---|---|
| **Saifulrizam Bin Zainal,** Chairman | Independent Non-Executive Director |
| **Datuk Abd Hamid Bin Abu Bakar,** Member | Independent Non-Executive Director |
| **Fairuz Kartini Binti Ahmad,** Member | Independent Non-Executive Director |

The Company has complied with Rule 15.09(1)(a) and (b) of the Listing Requirements of Bursa Securities as well as Practice 9.1 and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance ("MCCG") as the AC members fulfill the requirements as prescribed.

The authorities and duties of the Audit Committee are clearly governed by its Terms of Reference. The Terms of Reference of the Audit Committee is available at the Company's corporate website at www.technodex.com.

During the financial year under review, the Audit Committee convened four (4) meetings and the attendance of each Audit Committee member is as follows:

| Name | Attendance |
|---|---|
| **Saifulrizam Bin Zainal,** Chairman | 4/4 |
| **Datuk Abd Hamid Bin Abu Bakar,** Member | 4/4 |
| **Fairuz Kartini Binti Ahmad,** Member | 4/4 |

The presence of the External Auditors and/or the Internal Auditors at the Audit Committee meetings can be requested if required by the Audit Committee. Other members of the Board and the management of the Group may attend the meeting (specific to the relevant meeting and to the matters being discussed) upon invitation of the Audit Committee.

## SUMMARY OF WORKS DURING THE FINANCIAL YEAR

The following is a summary of the works carried out by the Audit Committee during the financial year under review:

i. Reviewed the unaudited quarterly report on consolidated financial results including the announcements pertaining thereto. The discussion focused particularly on any changes in or implementation of major accounting policy changes, significant and unusual events and compliance with accounting standards and other legal requirements before recommending to the Board for approval and making the announcement to Bursa Securities.

ii. Reviewed the annual financial statements of the Company and its subsidiary ("the Group") ("AFS") to ensure the said AFS were drawn up in accordance with the Malaysian Financial Reporting Standard before recommending to the Board for consideration and approval;

iii. Reviewed with the External Auditors, the audit plan and scope of the statutory audit of the Group's financial statements for the financial year ended 30 June 2024 before the audit commences to ensure the scope of the external audit is comprehensive.

iv. Reviewed with External Auditors, the Audit Status Report upon completion of the annual audit, covering findings on the results and issues arising from their audit of the financial statements of the Group and their resolutions of such issues highlighted in their report to the Audit Committee.

v. Considered and recommended the re-appointment of External Auditors of the Company and their audit fees to the Board for consideration based on the competency, efficiency and independence as demonstrated by the External Auditors during their audit.

vi. Evaluated the performance of the External Auditors and Internal Auditors of the Company.

vii. Reviewed the reports for the internal audit function and considered the findings of internal audit investigations and the Management responses thereon, and ensured that appropriate actions were taken on the recommendations raised by the Internal Auditors.

viii. Reviewed the related party transactions and/or recurrent related party transactions, if any, that transpired within the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.

ix. Reviewed the Corporate Governance Overview Statement, Corporate Governance Report, Audit Committee Report, Statement on Risk Management and Internal Control, Sustainability Statement and Additional Compliance Information as well to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report.

x. Reviewed and assessed the performance of the Audit Committee collectively and tabled the Audit Committee self-evaluation form for the Nomination and Remuneration Committee's evaluation.

xi. Reviewed the disclosures of conflict of interest ("COI") involving the Directors and Key Senior Management of the Group and concluded that there was no additional examination or mitigation measures were deemed necessary for the COI disclosed.

xii. Reviewed and recommended to the Board for the adoption of updated terms of reference of Audit Committee by enhancing and incorporating the sustainability component.

## INTERNAL CONTROL REVIEW AND INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to Vaersa Advisory Sdn. Bhd., an independent professional services firm, to conduct an independent review of the Group's systems of internal control.

The internal audit assignment is led by Mr. Quincy Gan Hoong Huat, the Executive Director of Vaersa Advisory Sdn Bhd. The internal audit review is staffed by 8 internal audit personnel including a Senior individual. The Internal Auditors team is free from any relationships with the Company or conflicts of interest. This will ensure that the internal audit function does not impair their objectivity and independence.

The internal audit function has adopted the International Professional Practices Framework set by the Institute of Internal Auditors and ensures that staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.

The activities carried out by the Internal Auditors of the Group during the financial year under review were as summarised below: -

i. Conducted an internal audit on the adequacy and effectiveness of the Company's Enterprise Risk Management;

ii. Conducted an internal audit on the adequacy and effectiveness of the Company's subsidiaries (namely Grayscale Technologies Sdn. Bhd., Upscale Sdn. Bhd. and Evoscale Sdn. Bhd.) system of internal control and compliance with the Company's policies and procedures on the Sales, Marketing and Account Receivable Management;

iii. Presentation of the internal audit findings at the Audit Committee meeting. The results of the audit together with the Management's response and proposed action plans were reviewed by the Audit Committee.

The internal audit reviews did not reveal any significant weakness which would result in material losses, contingencies or uncertainties that would require disclosure in the annual report.

The Audit Committee was satisfied with the competency, experience and resources of the internal audit function for discharging its role and responsibilities.

The fees incurred during the financial year ended 30 June 2024 in relation to the internal audit function were RM21,000.

# STATEMENT OF DIRECTORS' RESPONSIBILITY

**The Board of Directors ("the Board") are required to ensure that the financial statements are prepared in accordance with the provisions of the Companies Act 2016 ("Act") and the applicable approved accounting standards are prescribed by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Company and its subsidiaries ("the Group") as at 30 June 2024 and of the results and cash flows of the Group for the financial year ended.**

In preparing those financial statements of the Group for the financial year ended 30 June 2024, the Board have:-

- **responsible for ensuring proper accounting records are kept, which disclose with reasonable accuracy;**
- **adopted and consistently applied suitable accounting policies;**
- **made judgements and estimates that are prudent and reasonable;**
- **ensured applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and**
- **prepared it on a going concern basis unless it is inappropriate to presume that the Group will continue in business.**

The Board has ensured that the quarterly report and annual audited financial statements of the Company are released to Bursa Malaysia Securities Berhad in a timely manner in order to keep the investing public informed of the Group's latest performance and developments.

The Board has also ensured that the Group maintains proper accounting records in accordance with the Act. The Board also has the overall responsibility of taking such steps as are reasonable open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

# SUSTAINABILITY STATEMENT

Technodex Bhd. ("TDex" or "Company") is committed in delivering long-term sustainable values with a view to develop and maintain a successful business for all stakeholders, including shareholders, employees and among others, our customers and suppliers.

Aside from ensuring the long-term profitability of our core business, our sustainability initiatives are focused on the workplace, marketplace, environment and community.

## Marketplace – Customers' Satisfaction

The Company and its subsidiaries ("the Group") are committed to see that not only our shareholders' interests are taken care of but also our stakeholders who are customers and suppliers. It is fundamental to our Group that all products and services are delivered to customers with the required quality that meets or exceeds the customers' expectations. The Group also gathers customers' feedback during the course of conducting our business operations. These also promote a culture of open communication, trust and reliability.

## Environment

The Group does not operate in an environmentally sensitive business, but we recognise our duty to be mindful of the environment we live in and minimise our carbon footprint to the environment.

We have identified opportunities to reduce or reuse the resources we consume as we believe in the efficiency of the reuse of resources. These steps include reducing our energy consumption through switching off unused lights and air conditioning and our paper management initiative to print only when necessary and where possible, recycling of used printed paper. Instead of discarding unwanted documents, we sent these documents for secure shredding after which the shredder papers are sent to be recycled into other paper-based products.

## Community care

The Group understands that a responsible organisation should not neglect its social obligation towards the community that the well-being of the community has a significant bearing on the long-term sustainability and progression of our business. We have constant engagement with universities by providing internships for university students in our Group. We will convey a long-term value to the community by being the region's most impactful corporate citizen.

## Workplace

Our dedicated employees are important to the effective functioning of all the departments within the Group as human capital is pivotal to the Group's continuing success. The safety and well-being of our employees remain an important aspect of our overall strategy. We encourage internal activities for the employees to ensure that our working place is a happy place and employees' motivation is consistently high and well maintained.

We strive to upgrade our employees' skills and knowledge by conducting training sessions, both internally and externally. The training programs aim to equip our employees with key skills to support their career goals and improve work productivity.

# ADDITIONAL COMPLIANCE INFORMATION

## 1. UTILISATION OF PROCEEDS RAISED FROM THE CORPORATE PROPOSALS

**30% of the total number of issued shares**

The Company had on 4 October 2019 announced to undertake a private placement of new ordinary shares of up to 30% of the total number of issued shares of the Company ("30% Private Placement") and completed the issuance and allotment of 176,666,600 new ordinary shares at the issue price of RM0.03 and RM0.0366 per share on 22 May 2020. The Company has raised total proceeds of RM5.874 million from the 30% Private Placement.

The Board had on 23 September 2024 resolved to extend the timeframe for the utilisation of proceeds raised for business expansion and expansion for another 24 months period until 21 November 2026 allowing the Company to have additional time to utilise the balance of the proceeds.

Following is the status utilisation of the proceeds from the 30% Private Placement:

| Description | Proposed Utilisation (RM'000) | Actual Utilisation (RM'000) | Balance Unutilised (RM'000) | Intended Time Frame for Utilisation | Revised Timeframe | Extended Timeframe |
|---|---|---|---|---|---|---|
| IT contracts and/or orders | 4,175 | (4,175) | - | Within 18 months | - | - |
| Business expansion | 1,500 | (750) | 750 | Within 18 months | Within 54 months | Within 78 months |
| Expenses in relation to the Private Placement | 200 | (200) | - | Within 1 month | - | - |
| **TOTAL** | **5,875** | **(4,460)** | **750** | | | |

**10% of the total number of issued shares**

On 31 January 2024, Mercury Securities Sdn. Bhd. had announced on behalf of the Board that the Company proposed to undertake a private placement of up to 84,379,642 new ordinary shares in TDex ("Placement Shares") representing not more than 10% of the total number of issued shares, to independent third-party investor(s) to be identified and at an issue price to be determined later ("Proposed Private Placement").

Bursa Malaysia Securities Berhad had on 29 February 2024 approved the listing and quotation of up to 84,379,642 new ordinary shares to be issued pursuant to the Proposed Private Placement with conditions.

The Company received approval from Bursa Securities on 30 August 2024 for an extension of time up to 28 February 2025 to complete the implementation of the Proposed Private Placement.

## 2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors by the Company and its subsidiaries ("Group") for the financial year ended 30 June 2024 are as follows: -

| | Company RM | Group RM |
|---|---|---|
| Audit Fee | 47,000 | 132,000 |
| Non - Audit Fee | 8,000 | 8,000 |

## 3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the Directors' and major shareholders' interest during the financial year ended 30 June 2024.

## 4. RECURRENT RELATED PARTY TRANSACTION ("RRPT")

The details of the RRPTs that occurred during the financial year ended 30 June 2024 are disclosed in Note 30 to the Financial Statements for the financial year ended 30 June 2024 set out on pages 108 to 109 of this Annual Report, no shareholder mandate was required for the RRPT entered by the Group pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

# REPORTS AND FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

**PRINCIPAL ACTIVITIES**

The Company is principally engaged in the investment holding and provision of information technology products and related services, and carrying out relevant research and development activities.

The information on the name, place of incorporation, principal activities and percentage of effective equity interest held by the Company in each subsidiary are disclosed in Note 8 to the financial statements.

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

**FINANCIAL RESULTS**

| | Group<br>2024<br>RM | Company<br>2024<br>RM |
|---|---|---|
| Loss for the financial year | (6,572,255) | (8,525,519) |
| Attributable to: | | |
| Owners of the Company | (6,563,338) | (8,525,519) |
| Non-controlling interests | (8,917) | - |
| | (6,572,255) | (8,525,519) |

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those as disclosed in the notes to the financial statements.

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

**DIVIDENDS**

No dividend has been paid or declared during the financial year. The directors do not recommend that a dividend to be paid in respect of the current financial year.

**SHARES AND DEBENTURES**

There were no changes in the issued and paid up capital of the Group and the Company during the financial year.

There were no debentures issued during the financial year.

**OPTIONS GRANTED OVER UNISSUED SHARES**

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

### DIRECTORS

The name of the directors of the Company in office during the financial year and the period from the end of the financial year to the date of this report are:

**YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah**

**Peh Lian Hwa**

**Tan Sze Chong**

**Koay Xing Boon**

**Tan Boon Wooi**

**Datuk Abd Hamid bin Abu Bakar**

**Saifulrizam bin Zainal**

**Fairuz Kartini binti Ahmad**

The names of the directors of the subsidiaries of the Company during the financial year and the period from the end of the financial year to the date of this report, not including those directors listed above are:

**Peh Yueh Han**

**Jithin Vijayan Geetha** *(Resigned on 20 September 2024)*

**Shameer Thaha** *(Resigned on 20 September 2024)*

**Tunku Izzudin Shah Bin Tengku Abdul Hamid Thani**

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares of the Company during the financial year were as follows:

| | Number of Ordinary Shares | | | |
|---|---|---|---|---|
| Shareholdings in the name of directors | As at 01.07.2023 | Acquired | Sold | As at 30.06.2024 |
| **Direct interest** | | | | |
| YTM Dato'Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah | 45,700,000 | 450,000 | - | 46,150,000 |
| Peh Lian Hwa | 137,482,600 | - | - | 137,482,600 |
| Tan Sze Chong | 24,029,066 | - | - | 24,029,066 |
| Tan Boon Wooi | 33,065,000 | - | - | 33,065,000 |
| Koay Xing Boon | 50,796,100 | - | - | 50,796,100 |
| **Indirect interest** | | | | |
| Tan Sze Chong# | 8,766,666 | 8,901,000 | - | 17,667,666 |
| Tan Boon Wooi@ | 9,316,300 | - | - | 9,316,300 |

\# *Deemed interested by virtue of his spouse, Heng Ling Jy's shareholdings in the Company.*
@ *Deemed interested by virtue of his interest in Lian Soon Express Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.*

By virtue of their interest in the shares of the Company, the above directors are also deemed to have interests in the shares of the subsidiary companies to the extent the directors have their interests.

Other than disclosed above, the other directors in office at the end of the financial year did not have any interest in the shares of the Company or its related corporations during the financial year.

## DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors or past directors of the Group and of the Company during the financial year are disclosed in Note 29 to the financial statements.

None of the directors or past directors of the Group and of the Company have received any other benefits otherwise than in cash from the Group and the Company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the directors or past directors of the Group and of the Company during the financial year.

## INDEMNITY AND INSURANCE COSTS

During the financial year, total amount of indemnity given to or insurance premium paid for the directors and officers of the Company is RM13,200 per annum.

There was no indemnity given to or insurance effected for any officers and auditors of the Company during the financial year.

## DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any body corporate.

Since the end of the previous financial year, none of the directors of the Company have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 29 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

During the financial year, the fees and other benefits received and receivables by the directors or past directors of the Group and of the Company are as follows:

| | Group 2024 RM | Company 2024 RM |
|---|---|---|
| **Non-executive directors:** | | |
| Fees | 360,000 | 360,000 |
| **Executive directors:** | | |
| Other emoluments: | | |
| - Salaries, bonuses and allowance | 600,000 | 480,000 |
| - Employment Provident Fund (EPF) and Social Security Organization (SOCSO) | 74,773 | 59,680 |
| - Employment Insurance System (EIS) | 317 | 238 |
| | 1,035,090 | 899,918 |

## OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) which would render it necessary to write off for any bad debts or the amount of the provision for doubtful debts to respect of the financial statements of the Group and of the Company; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

## SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

Significant events during and subsequent to the financial year is disclosed in Note 35 to the financial statements.

## AUDITORS

The auditors, CAS Malaysia PLT, Chartered Accountants have indicated their willingness to continue in office.

Auditors' remuneration of the Group and the Company for the financial year ended 30 June 2024 were as follows:

| | Group RM | Company RM |
|---|---|---|
| Statutory audit | 132,000 | 47,000 |
| Non-statutory audit | 8,000 | 8,000 |
| | 140,000 | 55,000 |

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 28 October 2024.

**TAN SZE CHONG**
Director

**KOAY XING BOON**
Director

# STATEMENT BY DIRECTORS

## PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, TAN SZE CHONG and KOAY XING BOON, being two of the directors of TECHNODEX BHD., do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 53 to 120 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 28 October 2024.

**TAN SZE CHONG**
Director

**KOAY XING BOON**
Director

# STATUTORY DECLARATION

## PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, TAN SZE CHONG, being the director primarily responsible for the accounting records and financial management of TECHNODEX BHD., do solemnly and sincerely declare that the accompanying financial statements set out on pages 53 to 120 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
TAN SZE CHONG
at Puchong in the state of Selangor Darul Ehsan
on 28 October 2024

**TAN SZE CHONG**

Before me,

**MUHAMMAD NASIR BIN IDRIS**
**[B766]**
**Commissioner for Oath**

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF TECHNODEX BHD.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

We have audited the financial statements of TECHNODEX BHD., which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 53 to 120.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### BASIS FOR OPINION

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

#### *INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### KEY AUDIT MATTERS

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

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| (a) Impairment assessment of trade receivables | |
| Refer to Note 3.8, 4.7 and 12 to the financial statements.<br><br>Trade receivables of the Group amounting to RM6,539,504 are significant to the Group as these represent approximately 30% of the total assets.<br><br>The key associated risk is the recoverability of the invoiced trade receivables as the recoverability of these receivables required management judgement in determining the adequacy of the impairment losses associated with each individual trade receivables. | Our audit procedures included:<br><br>i. circularisation of receivables for confirmation of balances;<br>ii. reviewed ageing of trade receivables and check for adequacy of allowance for impairment;<br>iii. evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made; |

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### KEY AUDIT MATTERS (CONT'D)

| Key audit matters (cont'd) | How our audit addressed the key audit matters (cont'd) |
|---|---|
| **(a) Impairment assessment of trade receivables (cont'd)** | |
| | Our audit procedures included: (cont'd)<br><br>iv. assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period and recoverability of outstanding trade receivables;<br>v. assessed the reasonableness of the Group's expected credit loss ("ECL") model by reviewing the probability of default using historical data and forward-looking information adjustment applied by the Group;<br>vi. identified any loss events subsequent to the end of reporting period for indications of increase in credit risk;<br>vii. made inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and<br>viii. evaluated the adequacy of the Group's disclosure for trade receivables. |

| | |
|---|---|
| **(b) Impairment assessment of investment in subsidiary companies** | |
| Refer to Note 3.4, 4.5 and 8 to the financial statements.<br><br>As at 30 June 2024, the net carrying amount of investment in subsidiary companies of the Company amounted to RM16,669,580 which representing for approximately 57% of the Company's total assets.<br><br>We focused on this area and considered impairment on investment in subsidiary companies as key audit matter as the determination of recoverable amounts of subsidiaries based on value-in-use calculations by management involved a significant degree of judgements and assumptions. | Our audit procedures include:<br><br>i. enquired management on latest development and status of the subsidiary companies;<br>ii. assessed the appropriateness and reasonableness of cash flows forecast and projections by comparison to future outlook, reviewing business plans and through discussion with management;<br>iii. assessed the management's determination of the discount rate by evaluating the appropriateness of the models used and the reasonableness of the inputs thereon; and<br>iv. performed sensitivity analysis to stress test the key assumptions used by management in the impairment model. |

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, which we obtained prior to the date of this auditors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### OTHER MATTERS

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

**CAS MALAYSIA PLT**
[201606003206 (LLP0009918-LCA) & AF 1476]
Chartered Accountants

**TAN WEE SIANG**
[No. 03418/02/2025(J)]
Chartered Accountant

Date: 28 October 2024
Puchong

# STATEMENTS OF FINANCIAL POSITION

## AS AT 30 JUNE 2024

| | Note | Group 2024 RM | Group 2023 RM | Company 2024 RM | Company 2023 RM |
|---|---|---|---|---|---|
| **NON-CURRENT ASSETS** | | | | | |
| Property, plant and equipment | 5 | 621,754 | 798,818 | 344,246 | 463,252 |
| Right-of-use assets | 6.1 | 1,124,882 | 1,292,864 | 493,525 | 361,961 |
| Intangible assets | 7 | - | - | - | - |
| Investment in subsidiary companies | 8 | - | - | 16,669,580 | 22,942,695 |
| Goodwill on consolidation | 9 | - | 1,154,149 | - | - |
| Other investment | 10 | 458,900 | 458,900 | 458,900 | 458,900 |
| | | 2,205,536 | 3,704,731 | 17,966,251 | 24,226,808 |
| **CURRENT ASSETS** | | | | | |
| Inventories | 11 | 7,955,328 | 5,620,977 | - | - |
| Trade receivables | 12 | 6,539,504 | 5,206,963 | 1,654,634 | 1,219,345 |
| Other receivables | 13 | 478,343 | 2,117,490 | 144,053 | 227,616 |
| Amount due from subsidiary companies | 14 | - | - | 8,527,445 | 8,784,099 |
| Tax recoverable | | 292,864 | 300,747 | 10,304 | 10,304 |
| Fixed deposits with licensed banks | 15 | 3,080,344 | 7,009,619 | 519,660 | 3,458,642 |
| Cash and bank balances | | 1,439,730 | 4,117,300 | 564,676 | 268,928 |
| | | 19,786,113 | 24,373,096 | 11,420,772 | 13,968,934 |
| **TOTAL ASSETS** | | **21,991,649** | **28,077,827** | **29,387,023** | **38,195,742** |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

| | Note | Group 2024 RM | Group 2023 RM | Company 2024 RM | Company 2023 RM |
|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| Share capital | 16 | 16,630,672 | 58,630,672 | 16,630,672 | 58,630,672 |
| Capital reserves | 17 | 19,813,026 | - | 19,813,026 | - |
| Accumulated losses | 18 | (22,638,166) | (38,253,031) | (8,525,519) | (22,186,974) |
| Total equity attributable to owners of the Company | | 13,805,532 | 20,377,641 | 27,918,179 | 36,443,698 |
| Non-controlling interest | 8 | (29,004) | (28,809) | - | - |
| **TOTAL EQUITY** | | **13,776,528** | **20,348,832** | **27,918,179** | **36,443,698** |
| **NON-CURRENT LIABILITIES** | | | | | |
| Lease liabilities | 6.2 | 302,397 | 661,793 | 232,256 | 12,600 |
| | | 302,397 | 661,793 | 232,256 | 12,600 |
| **CURRENT LIABILITIES** | | | | | |
| Trade payables | 19 | 2,309,179 | 1,917,546 | - | - |
| Other payables | 19 | 1,016,773 | 1,172,912 | 407,314 | 391,388 |
| Amount due to subsidiary companies | 14 | - | - | 566,842 | 984,776 |
| Bank overdraft | 20 | 3,723,088 | 3,313,832 | - | - |
| Lease liabilities | 6.2 | 843,336 | 662,912 | 262,432 | 363,280 |
| Deferred income | 21 | 20,348 | - | - | - |
| | | 7,912,724 | 7,067,202 | 1,236,588 | 1,739,444 |
| **TOTAL LIABILITIES** | | 8,215,121 | 7,728,995 | 1,468,844 | 1,752,044 |
| **TOTAL EQUITY AND LIABILITIES** | | **21,991,649** | **28,077,827** | **29,387,023** | **38,195,742** |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

| | Note | Group 2024 RM | Group 2023 RM | Company 2024 RM | Company 2023 RM |
|---|---|---|---|---|---|
| Revenue | 23 | 40,687,374 | 56,108,416 | 861,600 | 861,600 |
| Less: Cost of sales | 24 | (37,429,261) | (52,308,257) | - | - |
| **GROSS PROFIT** | | 3,258,113 | 3,800,159 | 861,600 | 861,600 |
| Add: Other operating income | | 202,600 | 345,116 | 660,429 | 769,415 |
| Add: Reversal of impairment losses on amount due from subsidiary | | - | - | 347,110 | - |
| Less: Employment benefits | | (3,392,149) | (3,406,462) | (1,004,756) | (842,263) |
| Less: Key management personnel's remuneration | 29 | (2,000,819) | (2,125,907) | (1,312,156) | (1,310,414) |
| Less: Depreciation and amortisation | | (844,647) | (1,887,306) | (482,872) | (515,541) |
| Less: Impairment losses on amount due from subsidiary companies | | - | - | - | (28,854) |
| Less: Impairment losses on trade receivables | | (85,923) | (6,420) | (17,500) | - |
| Less: Other expenses | | (3,366,628) | (4,300,060) | (7,536,010) | (3,353,890) |
| **LOSS FROM OPERATIONS** | | (6,229,453) | (7,580,880) | (8,484,155) | (4,419,947) |
| Less: Finance costs | 25 | (322,268) | (343,967) | (41,364) | (38,551) |
| **LOSS BEFORE TAXATION** | 26 | (6,551,721) | (7,924,847) | (8,525,519) | (4,458,498) |
| Less: Taxation | 27 | (20,534) | - | - | - |
| **LOSS AFTER TAXATION** | | (6,572,255) | (7,924,847) | (8,525,519) | (4,458,498) |
| Other comprehensive income for the financial year, net of tax | | - | - | - | - |
| **TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR, NET OF TAX** | | (6,572,255) | (7,924,847) | (8,525,519) | (4,458,498) |
| **LOSS AFTER TAXATION ATTRIBUTABLE TO:** | | | | | |
| Owners of the Company | | (6,563,338) | (7,904,097) | | |
| Non-controlling interest | 8 | (8,917) | (20,750) | | |
| | | (6,572,255) | (7,924,847) | | |
| **TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR, NET OF TAX ATTRIBUTABLE TO:** | | | | | |
| Owners of the Company | | (6,563,338) | (7,904,097) | | |
| Non-controlling interest | 8 | (8,917) | (20,750) | | |
| | | (6,572,255) | (7,924,847) | | |
| Basic and diluted loss per share attributable to owners of the Company (sen) | 28 | (0.78) | (0.94) | | |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

| Group | Note | Share Capital RM | Capital reduction reserves RM | Accumulated losses RM | Total RM | Non-Controlling Interest RM | Total Equity RM |
|---|---|---|---|---|---|---|---|
| | | Attributable to owners of the Company | | | | | |
| | | Non-distributable | | | | | |
| **Balance as at 1 July 2023** | | **58,630,672** | **-** | **(38,253,031)** | **20,377,641** | **(28,809)** | **20,348,832** |
| Capital reduction | 16 | (42,000,000) | 42,000,000 | - | - | - | - |
| Utilisation of capital reduction credit: | 16 | | | | | | |
| - to write off accumulated losses | | - | (22,186,974) | 22,186,974 | - | - | - |
| Effect in change in shareholding in subsidiary company | 8 | - | - | (8,771) | (8,771) | 8,722 | (49) |
| Loss and total comprehensive expense for the financial year | | - | - | (6,563,338) | (6,563,338) | (8,917) | (6,572,255) |
| **Balance as at 30 June 2024** | | **16,630,672** | **19,813,026** | **(22,638,166)** | **13,805,532** | **(29,004)** | **13,776,528** |

| Group | Share Capital RM | Accumulated Losses RM | Total RM | Non-Controlling Interest RM | Total Equity RM |
|---|---|---|---|---|---|
| | Attributable to owners of the Company | | | | |
| | Non-distributable | | | | |
| **Balance as at 1 July 2022** | **58,630,672** | **(30,348,934)** | **28,281,738** | **(8,059)** | **28,273,679** |
| Loss and total comprehensive expense for the financial year | - | (7,904,097) | (7,904,097) | (20,750) | (7,924,847) |
| **Balance as at 30 June 2023** | **58,630,672** | **(38,253,031)** | **20,377,641** | **(28,809)** | **20,348,832** |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENT OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

| | | Attributable to owners of the Company | | | |
|---|---|---|---|---|---|
| | | Non-distributable | | | |
| | | Share Capital | Capital Reduction Reserves | Accumulated Losses | Total Equity |
| **Company** | Note | RM | RM | RM | RM |
| **Balance as at 1 July 2022** | | **58,630,672** | **-** | **(17,728,476)** | **40,902,196** |
| Loss and total comprehensive expense for the financial year | | - | - | (4,458,498) | (4,458,498) |
| **Balance as at 30 June 2023** | | **58,630,672** | **-** | **(22,186,974)** | **36,443,698** |
| **Balance as at 1 July 2023** | | **58,630,672** | **-** | **(22,186,974)** | **36,443,698** |
| Capital reduction | 16 | (42,000,000) | 42,000,000 | - | - |
| Utilisation of capital reduction credit: | | | | | |
| - to write off accumulated losses | 16 | - | (22,186,974) | 22,186,974 | - |
| Loss and total comprehensive expense for the financial year | | - | - | (8,525,519) | (8,525,519) |
| **Balance as at 30 June 2024** | | **16,630,672** | **19,813,026** | **(8,525,519)** | **27,918,179** |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

| | Note | Group 2024 RM | Group 2023 RM | Company 2024 RM | Company 2023 RM |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Loss before taxation | | (6,551,721) | (7,924,847) | (8,525,519) | (4,458,498) |
| Adjustments for: | | | | | |
| ***Amortisation*** | | | | | |
| Intangible assets | 7 | - | 956,508 | - | - |
| ***Depreciation*** | | | | | |
| Property, plant and equipment | 5 | 179,931 | 202,459 | 121,788 | 120,539 |
| Right-of-use assets | 6.1 | 664,716 | 728,339 | 361,084 | 395,002 |
| ***Impairment losses*** | | | | | |
| Goodwill on consolidation | 9 | 1,154,149 | - | - | - |
| Investment in a subsidiary companies | 8 | - | - | 6,273,164 | 1,534,737 |
| Amount due from subsidiary companies | 14 | - | - | - | 28,854 |
| Intangibles assets | 7 | - | 595,925 | - | - |
| Trade receivables | 12 | 85,923 | 6,420 | 17,500 | - |
| Loss on disposal of property, plant and equipment | 26 | - | 224 | - | - |
| ***Finance cost*** | | | | | |
| Bank overdraft interest | 25 | 272,800 | 270,451 | - | - |
| Lease liabilities interest | 6.2 | 49,468 | 115,409 | 10,998 | 11,389 |
| Inter-company interest | 25 | - | - | 30,366 | 27,162 |
| Interest income | 26 | (121,288) | (135,929) | (51,501) | (70,737) |
| Lease receivable interest income | 26 | - | (14,214) | - | - |
| ***Gain on disposal of*** | | | | | |
| property, plant and equipment | 26 | - | (5,634) | - | - |
| right-of-use asset | 26 | - | (67,999) | - | - |
| Gain on termination of lease | 6.2 | (2,670) | - | (2,670) | - |
| Inventories written off | 11 | 295,745 | - | - | - |
| Fair value loss on other investment | 10 | - | 247,100 | - | 247,100 |
| (Reversal)/ Provision for slow-moving inventories | 11 | (206,347) | 248,108 | - | - |
| Reversal on impairment lossess for amount due from subsidiary company | 14 | - | - | (347,110) | - |
| Unrealised (gain)/loss on foreign exchange | 26 | (59,648) | 113,481 | - | - |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS (CONT'D)

| | Note | Group 2024 RM | Group 2023 RM | Company 2024 RM | Company 2023 RM |
|---|---|---|---|---|---|
| ***CASH FLOWS FROM OPERATING ACTIVITIES (continued)*** | | | | | |
| Operating loss before working capital changes | | (4,238,942) | (4,664,199) | (2,111,900) | (2,164,452) |
| Increase in inventories | | (2,423,749) | (2,031,495) | - | - |
| Decrease/(increase) in receivables | | 280,331 | 5,987,301 | (369,226) | (601,924) |
| Increase in payables | | 258,869 | 459,731 | 15,926 | 165,568 |
| Increase/(decrease) in deferred income | | 20,348 | (64,246) | - | - |
| Cash used in operations | | (6,103,143) | (312,908) | (2,465,200) | (2,600,808) |
| Interest received | | 121,288 | 135,929 | 51,501 | 70,737 |
| Interest paid | | (322,268) | (385,860) | (41,364) | (38,551) |
| Income tax refund | | - | 79,000 | - | - |
| Income tax paid | | (36,026) | (44,973) | - | - |
| **Net cash used in operating activities** | | **(6,340,149)** | **(528,812)** | **(2,455,063)** | **(2,568,622)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Acquisition of non-controlling interest | 8 | (49) | - | (49) | - |
| Change in fixed deposits with maturity of more than 3 months | | (122,555) | 25,129 | - | - |
| Fixed deposit placed as security value | | (5,994) | (4,596) | - | - |
| Repayment from lease receivables | | - | 1,893,001 | - | - |
| Advance to subsidiaries | | - | - | 603,764 | 67,887 |
| Proceed from disposal of: | | | | | |
| property, plant and equipment | | - | 11,907 | - | - |
| right-of-use asset | | - | 68,000 | - | - |
| Purchase of property, plant and equipment | 5 | (2,867) | (253,771) | (2,782) | (159,308) |
| **Net cash (used in)/generated from investing activities** | | **(131,465)** | **1,739,670** | **600,933** | **(91,421)** |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS (CONT'D)

| | Note | Group 2024 RM | Group 2023 RM | Company 2024 RM | Company 2023 RM |
|---|---|---|---|---|---|
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Repayment of lease liabilities | 6.2 | (673,036) | (3,160,685) | (371,170) | (394,609) |
| (Repayment to)/Advance from subsidiary companies | | - | - | (417,934) | 803,372 |
| **Net cash (used in)/generated from financing activities** | | **(673,036)** | **(3,160,685)** | **(789,104)** | **408,763** |
| **Net decrease in cash and cash equivalents** | | (7,144,650) | (1,949,827) | (2,643,234) | (2,251,280) |
| Cash and cash equivalents as at beginning of the financial year | | 5,391,157 | 7,340,984 | 3,727,570 | 5,978,850 |
| **Cash and cash equivalents as at end of the financial year** | | (1,753,493) | 5,391,157 | 1,084,336 | 3,727,570 |
| **Cash and cash equivalents comprise of:** | | | | | |
| Fixed deposits with licensed banks | 15 | 3,080,344 | 7,009,619 | 519,660 | 3,458,642 |
| Cash and bank balances | | 1,439,730 | 4,117,300 | 564,676 | 268,928 |
| | | 4,520,074 | 11,126,919 | 1,084,336 | 3,727,570 |
| Fixed deposits with maturity of more than 3 months* | 15 | (2,312,824) | (2,190,269) | - | - |
| Bank overdraft | 20 | (3,723,088) | (3,313,832) | - | - |
| Deposits held as security value | 15 | (237,655) | (231,661) | - | - |
| | | (1,753,493) | 5,391,157 | 1,084,336 | 3,727,570 |

** Included in fixed deposits with maturity of more than 3 months was an amount of RM2,312,824 (2023: RM2,190,269) which has been pledged to licensed banks as security for banking facilities of the Group.*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**Reconciliation of movement of liabilities to cash flows arising from financing activities**

| Group | At 1 July 2023 RM | Net changes from financing activities RM | Drawdown of lease liabilities RM | Other changes RM | At 30 June 2024 RM |
|---|---|---|---|---|---|
| Lease liabilities | 1,324,705 | (673,036) | 506,084 | (12,020) | 1,145,733 |

| Group | At 1 July 2022 RM | Net changes from financing activities RM | Drawdown of lease liabilities RM | Other changes RM | At 30 June 2023 RM |
|---|---|---|---|---|---|
| Lease liabilities | 3,612,557 | (3,160,685) | 872,833 | - | 1,324,705 |

| Company | At 1 July 2023 RM | Net changes from financing activities RM | Drawdown of lease liabilities RM | Other changes RM | At 30 June 2024 RM |
|---|---|---|---|---|---|
| Advances to subsidiaries | 984,776 | (417,934) | - | - | 566,842 |
| Lease liabilities | 375,880 | (371,170) | 501,998 | (12,020) | 494,688 |
| | 1,360,656 | (789,104) | 501,998 | (12,020) | 1,061,530 |

| Company | At 1 July 2022 RM | Net changes from financing activities RM | Drawdown of lease liabilities RM | Other changes RM | At 30 June 2023 RM |
|---|---|---|---|---|---|
| Advances to subsidiaries | 181,404 | 803,372 | - | - | 984,776 |
| Lease liabilities | 457,894 | (394,609) | 312,595 | - | 375,880 |
| | 639,298 | 408,763 | 312,595 | - | 1,360,656 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

### 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company's registered office is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Unit E-07-03, Menara Suezcap 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur.

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial year ended 30 June 2024 do not include other entities.

The Company is principally engaged in the business of investment holding and providing information technology products and related services, and carrying out relevant research and development activities.

The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 October 2024.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year.

#### 2.2 Going concern

During the financial year, the Group and the Company reported net losses of RM6,572,255 and RM8,525,519 respectively. However, the Group and the company has positive shareholder fund of RM13,776,528 and RM27,918,179. The Group and the Company also has net current asset of RM11,873,389 and RM10,184,184 as at the end of the financial year.

The Group and the Company have taken and will take various measures to weather through as follows:

(a) Working capital management
The Group and the Company have implemented cost control by cutting headcount to streamline the cost. The Group and the Company continuously relook at the efficiency of the organisation structure and the right resource size to achieve further savings in human resource cost.

(b) Funding
During the financial year, the Company has announced a proposal to raise fund by undertaking private placement of up to 84,379,642 ordinary shares at an issued price to be determined at a later date. The proposed private placement has been approved by the Bursa Securities on 30 August 2024. These will help the Group and Company to strengthen its equity base and liquidity.

(c) Future expansion plan
The Group plan to expand their market presence in the other countries in the South East Asia region to boost their revenue stream in IT sector.

The Group's and the Company's management have made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

### 2.3 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company have adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 July 2023:

| | |
|---|---|
| Amendments to MFRS 101 | Presentation of Financial Statements - Disclosure of Material Accounting Policies |
| Amendments to MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates |
| Amendments to MFRS 112 | Income Taxes - Deferred Tax related to Assets and Liabilities arising from Single Transaction and International Tax Reform - Pillar Two Model Rules |
| MFRS 17 | Insurance Contracts |

The adoption of the above new and amended IFRSs, interpretations and annual improvements did not have any significant effect on the financial statements of the Group and of the Company except those as disclosed below:

(a) Disclosure of Material Accounting Policies

The amendments to MFRS 101 Making Materiality Judgements provide guidance and examples to help the Group and the Company apply materiality judgements to accounting policy disclosures. The amendments aim to help the Group and the Company provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's and Company's disclosures of accounting policies as shown in Note 3, but not on the measurement, recognition or presentation of any items in the Group's and Company's financial statements.

(b) Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group and the Company have adopted the Deferred Tax related to Assets and Liabilities from a Single Transaction (Amendments to MFRS 112) from 1 July 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences arising from certain transactions such as the recognition of a lease.

Previously, the Group and the Company had recognised any resulting deferred tax asset or liability in respect of leases on a net basis. In view of the said amendment, the Group and the Company have recognised the deferred tax asset in respect of lease liabilities and deferred tax liabilities in respect of the Right-of-Use Assets separately. There was, however, no impact on the Statement of Financial Position as the balances of the deferred tax asset and deferred tax liabilities qualify for offset under MFRS 112 Para 74. There was also no impact on the opening retained earnings as at 1 July 2022. The key impact for the Group and the Company is on the disclosure of the deferred tax assets and liabilities as shown in Note 27.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

### 2.4 Standards issued but not yet effective

The Group and the Company have not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board ("MASB").

**Effective for financial periods beginning on or after 1 January 2024**

| | |
|---|---|
| Amendments to MFRS 7 | Financial Instruments: Disclosures - Supplier Financing Arrangements |
| Amendments to MFRS 16 | Leases - Lease liability in a Sales and Leaseback |
| Amendments to MFRS 101 | Presentation of Financial Statements - Non- current Liabilities with Covenants and Classification of Liabilities as Current and Non- Current |
| Amendments to MFRS 107 | Statement of Cash Flows - Supplier Financing Arrangements |

**Effective for financial periods beginning on or after 1 January 2025**

| | |
|---|---|
| Amendments to MFRS 121 | The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability |

**Effective for financial periods beginning on or after 1 January 2026**

| | |
|---|---|
| Amendments to MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standards - Hedge accounting by a first-time adopter |
| Amendments to MFRS 7 | Financial Instruments - Disclosures - Gain or loss on derecognition |
| Amendments to MFRS 9 | Financial Instruments - Derecognition of lease liabilities and Transaction price |
| Amendments to MFRS 10 | Consolidated Financial Statements - Determination of a 'de facto agent' |
| Amendments to MFRS 107 | Statement of Cash Flows - Cost method |
| Amendments that are part of Annual Improvements - Volume 11 | |

**Effective for financial periods beginning on or after 1 January 2027**

| | |
|---|---|
| MFRS 18 | Presentation and Disclosure in Financial Statements |
| MFRS 19 | Subsidiaries without Public Accountability Disclosures |

**Effective date to be determined by Malaysian Accounting Standards Board**

| | |
|---|---|
| Amendments to MFRS 10 and MFRS 128 | Consolidated Financial Statement and Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |

The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The directors do not expect any material impact to the financial statements upon adoption of the above pronouncements.

### 2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

### 2.6 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information are presented in RM, unless otherwise stated.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

**(a) Subsidiaries and business combination**

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree.

**(b) Non-controlling interests**

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated statements of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. 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 parent.

**(c) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

### 3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation on the property, plant and equipment is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

| | | | |
|---|---|---|---|
| Computer and software | 20% - 40% | Office equipment | 10% - 20% |
| Electrical and equipment | 20% | Tele-communication equipment | 15% |
| Furniture and fittings | 10% - 20% | Renovation | 10% - 20% |
| Machineries | 14% | | |

Depreciation of an asset begins when it is ready for its intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.3 Intangible assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit, but not exceeding 5 years commencing from the period when the intangible assets are available for use.

**Goodwill**

Goodwill represents the excess of the consideration and the fair value of previously held interests over the Group's share of the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree at the date of acquisition.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash- generating units for the purpose of impairment testing.

### 3.4 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or ("CGU").

In assessing value in use, the estimated future cash flows expected to be generated by the assets 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 assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

The Group and the Company recognised impairment losses in profit or loss. Impairment losses in respect of goodwill are not reversed.

### 3.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are determined on the first-in-first-out basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements. These also include bank overdrafts that form an integral part of the Group's cash management.

### 3.7 Financial assets

**(i) Classification**

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss ("FVTPL").

**(ii) Initial recognition and measurement**

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

**(iii) Subsequent measurement**

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

**3.7.1 Financial assets at amortised cost**

Financial assets shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, cash and bank balances, fixed deposits with licensed banks and amount due from subsidiary companies balances.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.7 Financial assets (cont'd)

#### (iii) Subsequent measurement (cont'd)

##### 3.7.2 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model.

Financial assets categorised as fair value through profit or loss are measured in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group's and the Company's financial assets at FVTPL includes other investment as disclosed in Note 10.

### 3.8 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

The Group and the Company measure loss allowance at an amount equal to lifetime ECL, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECL. For trade receivables, contract assets and loss allowance are measured based on lifetime ECL at each reporting date. The Group and the Company estimate the ECL on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while the 12-month ECL are the portion of the ECL that result from default events that are possible within the 12 months after the reporting date.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried at fair value through other comprehensive income are 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 that financial asset have occurred.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.8 Impairment of financial assets (cont'd)

(a) Simplified approach for trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

*Significant increase in credit risk*

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information such as:

- internal credit rating/assessment;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor (where available);
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements and;
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

*Grouping of instruments for ECL measured on collective basis*

**Collective assessment**

To measure ECL, trade receivables are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

**Individual assessment**

Trade receivables which are in default or credit-impaired are assessed individually.

Note 12 set out the measurement details of ECL.

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**

**3.8 Impairment of financial assets (cont'd)**

(b) General 3-stages approach for other receivables and advances to subsidiaries

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Note 13 and 14 set out the measurement details of ECL.

**3.9 Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

**3.9.1 Amortised cost**

The Group's and the Company's financial liabilities are measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

**3.9.2 Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

(a) the amount of the loss allowance; and
(b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.10 Leases

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statement of financial position.

#### 3.10.1 The Group and the Company as a lessee

(a) Right-Of-Use Assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. If the Group and the Company are reasonably certain that the ownership of the underlying asset will be transferred to them by the end of the lease term, the right-of-use asset are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset are depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Depreciation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets of the end of the lease term. The lease terms of right-of-use assets are as follows:

| | |
|---|---|
| Building | 1 to 3 years |
| Motor vehicles | 20% |
| Computer and software | 1 to 3 years |

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease Liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

(c) Short-term leases and leases of low-value assets

The Group and the Company elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.10 Leases (cont'd)

#### 3.10.1 The Group and the Company as a lessee (cont'd)

(d) Lease term

The lease term includes non-cancellable period of a lease together with periods covered by:

(a) an option to extend if the Group and the Company are reasonably certain to exercise the option.

(b) an option to terminate if the Group and the Company are reasonably certain not to exercise the option.

Under some of the leases, the Group and the Company are offered with the option to extend the lease term for additional one to three years. The Group and the Company apply judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

#### 3.10.2 Leases in which the Group is a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on straight-line basis over the leases terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 3.11 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

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 draw-down 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 pre-payment for liquidity services and amortised over the period of the facility to which it relates.

### 3.13 Revenue recognition and other income

Revenue is measured at fair value of consideration received or receivable. The following describe the performance obligation in contracts with customers:-

#### 3.13.1 Sale of goods

Revenue from sales of goods is recognised at the point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivables, net of discounts and taxes applicable to the revenue.

#### 3.13.2 Rendering of services

Revenue for the services rendered will be recognised over time measured using output method on a monthly basis. The customers simultaneously receives and consumes the benefit as the Group provides the services and the services do not create an alternative use to the Group and have an enforceable right to payment for performances completed to-date.

#### 3.13.3 Management fees

Management fee is recognised on an accrual basis when service is rendered.

#### 3.13.4 Interest income

Interest income is recognised as it accrues, taking into account the principal outstanding and the effective rate over period of maturity.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.14 Income tax

#### 3.14.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

#### 3.14.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group and the Company offset deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.15 Employee benefits

#### 3.15.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

#### 3.15.2 Defined contribution plans

The contributions are charged as an expense in the financial period in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

### 4.1 Depreciation of property, plant and equipments and right-of-use assets

The costs of property, plant and equipments and right-of-use assets are depreciated on a straight- line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipments and right-of-use assets to be within a range of 1 to 10 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipments and right-of-use assets at the reporting date are disclosed in Note 5 and Note 6.1 to the financial statements.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

### 4.2 Amortisation of intangible assets

The costs of intangible assets are amortised on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these intangible assets to be not exceeding 5 years begin from the period when the intangible assets are available for use. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future amortisation charges could be revised. The carrying amounts of the Group's intangible assets at the reporting date are disclosed in Note 7 to the financial statements.

### 4.3 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

### 4.4 Impairment of goodwill

The Group and the Company perform an annual assessment of the carrying value of its goodwill against the recoverable amount of the CGUs to which the goodwill have been allocated. The measurement of the recoverable amount of CGUs are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's ongoing operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and reflect management's view of future performance.

### 4.5 Impairment of investment in subsidiaries

Investment in subsidiaries are assessed for impairment losses whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Such assessment required the directors to make estimates of the recoverable amount. Impairment loss is recognised for the amount by which the carrying amount of the assets exceed its recoverable amount, which is higher of an asset's fair value less cost to sell and its value in use. The carrying amounts of investment in subsidiaries are disclosed in Note 8 to the financial statements.

### 4.6 Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Reviews are made periodically by management to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 11.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

### 4.7 Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 12.

### 4.8 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group and of the Company are disclosed in Note 27.

### 4.9 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

### 4.10 Determining the lease term of contracts with renewal options – the Group and the Company as lessee

The Group and the Company determine the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group and the Company have several lease contracts that include extension option. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group and the Company included the renewal period as part of the lease term for leases of building with shorter non-cancellable period (i.e., one to three years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on profit if a replacement building for rent is not readily available.

### 4.11 Leases - Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group and the Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

## 5. PROPERTY, PLANT AND EQUIPMENT

| Group | Computer and software RM | Electrical and equipment RM | Furniture and fittings RM | Machineries RM | Office equipment RM | Tele-communication equipment RM | Renovation RM | Total RM |
|---|---|---|---|---|---|---|---|---|
| 2024 | | | | | | | | |
| **At cost** | | | | | | | | |
| Balance as at 1 July 2023 | 737,990 | 78,384 | 445,480 | 350,500 | 263,408 | 30,049 | 712,820 | 2,618,631 |
| Additions | 85 | - | 2,782 | - | - | - | - | 2,867 |
| Balance as at 30 June 2024 | 738,075 | 78,384 | 448,262 | 350,500 | 263,408 | 30,049 | 712,820 | 2,621,498 |
| **Less: Accumulated depreciation** | | | | | | | | |
| Balance as at 1 July 2023 | 678,572 | 38,984 | 204,795 | 233,083 | 182,529 | 30,023 | 334,410 | 1,702,396 |
| Charge for the financial year | 20,469 | 9,507 | 38,671 | - | 13,148 | - | 98,136 | 179,931 |
| Balance as at 30 June 2024 | 699,041 | 48,491 | 243,466 | 233,083 | 195,677 | 30,023 | 432,546 | 1,882,327 |
| **Less: Accumulated impairment losses** | | | | | | | | |
| Balance as at 1 July 2023 | - | - | - | 117,417 | - | - | - | 117,417 |
| Balance as at 30 June 2024 | - | - | - | 117,417 | - | - | - | 117,417 |
| **Net carrying amount** | | | | | | | | |
| Balance as at 30 June 2024 | 39,034 | 29,893 | 204,796 | - | 67,731 | 26 | 280,274 | 621,754 |

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| Group | Computer and software RM | Electrical and equipment RM | Furniture and fittings RM | Machineries RM | Office equipment RM | Tele-communication equipment RM | Renovation RM | Total RM |
|---|---|---|---|---|---|---|---|---|
| 2023 | | | | | | | | |
| **At cost** | | | | | | | | |
| Balance as at 1 July 2022 | 746,815 | 45,735 | 421,912 | 350,500 | 250,971 | 30,049 | 532,314 | 2,378,296 |
| Additions | 2,650 | 32,649 | 23,568 | - | 14,398 | - | 180,506 | 253,771 |
| Write off | (3,415) | - | - | - | - | - | - | (3,415) |
| Disposal | (8,060) | - | - | - | (1,961) | - | - | (10,021) |
| Balance as at 30 June 2023 | 737,990 | 78,384 | 445,480 | 350,500 | 263,408 | 30,049 | 712,820 | 2,618,631 |
| **Less: Accumulated depreciation** | | | | | | | | |
| Balance as at 1 July 2022 | 639,702 | 28,204 | 164,899 | 233,083 | 169,430 | 30,023 | 241,536 | 1,506,877 |
| Charge for the financial year | 45,777 | 10,780 | 39,896 | - | 13,132 | - | 92,874 | 202,459 |
| Write off | (3,415) | - | - | - | - | - | - | (3,415) |
| Disposal | (3,492) | - | - | - | (33) | - | - | (3,525) |
| Balance as at 30 June 2023 | 678,572 | 38,984 | 204,795 | 233,083 | 182,529 | 30,023 | 334,410 | 1,702,396 |
| **Less: Accumulated impairment losses** | | | | | | | | |
| Balance as at 1 July 2022 | - | - | - | 117,417 | - | - | - | 117,417 |
| Balance as at 30 June 2023 | - | - | - | 117,417 | - | - | - | 117,417 |
| **Net carrying amount** | | | | | | | | |
| Balance as at 30 June 2023 | **59,418** | **39,400** | **240,685** | - | **80,879** | **26** | **378,410** | **798,818** |

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| Company | Computer and software RM | Electrical and equipment RM | Furniture and fittings RM | Office equipment RM | Renovation RM | Total RM |
|---|---|---|---|---|---|---|
| 2024 | | | | | | |
| **At cost** | | | | | | |
| Balance as at 1 July 2023 | 57,243 | 78,384 | 293,146 | 116,962 | 405,527 | 951,262 |
| Additions | - | - | 2,782 | - | - | 2,782 |
| Balance as at 30 June 2024 | 57,243 | 78,384 | 295,928 | 116,962 | 405,527 | 954,044 |
| **Less: Accumulated depreciation** | | | | | | |
| Balance as at 1 July 2023 | 32,651 | 38,984 | 116,192 | 96,548 | 203,635 | 488,010 |
| Charge for the financial year | 7,139 | 9,507 | 28,854 | 3,480 | 72,808 | 121,788 |
| Balance as at 30 June 2024 | 39,790 | 48,491 | 145,046 | 100,028 | 276,443 | 609,798 |
| **Net carrying amount** | | | | | | |
| Balance as at 30 June 2024 | **17,453** | **29,893** | **150,882** | **16,934** | **129,084** | **344,246** |
| 2023 | | | | | | |
| **At cost** | | | | | | |
| Balance as at 1 July 2022 | 56,220 | 45,735 | 293,146 | 116,962 | 279,891 | 791,954 |
| Additions | 1,023 | 32,649 | - | - | 125,636 | 159,308 |
| Balance as at 30 June 2023 | 57,243 | 78,384 | 293,146 | 116,962 | 405,527 | 951,262 |
| **Less: Accumulated depreciation** | | | | | | |
| Balance as at 1 July 2022 | 25,414 | 28,204 | 85,692 | 93,068 | 135,093 | 367,471 |
| Charge for the financial year | 7,237 | 10,780 | 30,500 | 3,480 | 68,542 | 120,539 |
| Balance as at 30 June 2023 | 32,651 | 38,984 | 116,192 | 96,548 | 203,635 | 488,010 |
| **Net carrying amount** | | | | | | |
| Balance as at 30 June 2023 | **24,592** | **39,400** | **176,954** | **20,414** | **201,892** | **463,252** |

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) The cost of fully depreciated property, plant and equipment that are still in used are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Computer and software | 478,187 | 450,820 | 25,413 | 21,415 |
| Furniture and fittings | 39,020 | 39,020 | 3,750 | 3,750 |
| Office equipment | 132,679 | 132,252 | 82,157 | 82,157 |
| Tele-communication equipment | 30,049 | 30,049 | - | - |
| Renovation | 54,008 | 54,008 | - | - |
| | 733,943 | 706,149 | 111,320 | 107,322 |

(ii) Purchase of property, plant and equipment

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Cost of property, plant and equipment purchased | 2,867 | 253,771 | 2,782 | 159,308 |
| Less: Amount financed through loan and borrowings | - | - | - | - |
| Cash disbursed for purchase of property, plant and equipment | 2,867 | 253,771 | 2,782 | 159,308 |

## 6. LEASES

### 6.1 Right-of-use assets

**The Group as lessee**

| | Computer and software RM | Motor vehicles RM | Buildings RM | Total RM |
|---|---|---|---|---|
| 2024 | | | | |
| **At cost** | | | | |
| Balance as at 1 July 2023 | 623,193 | 1,145,300 | 1,432,113 | 3,200,606 |
| Addition | 18,024 | - | 488,060 | 506,084 |
| Disposal | (3,867) | - | (149,634) | (153,501) |
| Balance as at 30 June 2024 | 637,350 | 1,145,300 | 1,770,539 | 3,553,189 |
| **Less: Accumulated depreciation** | | | | |
| Balance as at 1 July 2023 | 576,731 | 601,453 | 729,558 | 1,907,742 |
| Charge for the financial year | 31,180 | 165,344 | 468,192 | 664,716 |
| Disposal | (3,867) | - | (140,284) | (144,151) |
| Balance as at 30 June 2024 | 604,044 | 766,797 | 1,057,466 | 2,428,307 |
| **Net carrying amount** | | | | |
| Balance as at 30 June 2024 | 33,306 | 378,503 | 713,073 | 1,124,882 |
| 2023 | | | | |
| **At cost** | | | | |
| Balance as at 1 July 2022 | 614,412 | 1,300,471 | 771,186 | 2,686,069 |
| Addition | 22,769 | - | 850,064 | 872,833 |
| Disposal | (13,988) | (155,171) | (189,137) | (358,296) |
| Balance as at 30 June 2023 | 623,193 | 1,145,300 | 1,432,113 | 3,200,606 |
| **Less: Accumulated depreciation** | | | | |
| Balance as at 1 July 2022 | 524,665 | 566,936 | 446,098 | 1,537,699 |
| Charge for the financial year | 66,054 | 189,688 | 472,597 | 728,339 |
| Disposal | (13,988) | (155,171) | (189,137) | (358,296) |
| Balance as at 30 June 2023 | 576,731 | 601,453 | 729,558 | 1,907,742 |
| **Net carrying amount** | | | | |
| Balance as at 30 June 2023 | 46,462 | 543,847 | 702,555 | 1,292,864 |

## 6. LEASES (CONT'D)

### 6.1 Right-of-use assets (cont'd)

**The Company as lessee**

| | Computer and software RM | Motor vehicles RM | Buildings RM | Total RM |
|---|---|---|---|---|
| 2024 | | | | |
| **At cost** | | | | |
| Balance as at 1 July 2023 | 177,957 | 365,142 | 851,051 | 1,394,150 |
| Addition | 13,938 | - | 488,060 | 501,998 |
| Disposal | - | - | (149,634) | (149,634) |
| Balance as at 30 June 2024 | 191,895 | 365,142 | 1,189,477 | 1,746,514 |
| **Less: Accumulated depreciation** | | | | |
| Balance as at 1 July 2023 | 137,876 | 316,455 | 577,858 | 1,032,189 |
| Charge for the financial year | 28,218 | 48,685 | 284,181 | 361,084 |
| Disposal | - | - | (140,284) | (140,284) |
| Balance as at 30 June 2024 | 166,094 | 365,140 | 721,755 | 1,252,989 |
| **Net carrying amount** | | | | |
| Balance as at 30 June 2024 | 25,801 | 2 | 467,722 | 493,525 |
| 2023 | | | | |
| **At cost** | | | | |
| Balance as at 1 July 2022 | 163,393 | 365,142 | 553,020 | 1,081,555 |
| Addition | 14,564 | - | 298,031 | 312,595 |
| Balance as at 30 June 2023 | 177,957 | 365,142 | 851,051 | 1,394,150 |
| **Less: Accumulated depreciation** | | | | |
| Balance as at 1 July 2022 | 102,780 | 243,427 | 290,980 | 637,187 |
| Charge for the financial year | 35,096 | 73,028 | 286,878 | 395,002 |
| Balance as at 30 June 2023 | 137,876 | 316,455 | 577,858 | 1,032,189 |
| **Net carrying amount** | | | | |
| Balance as at 30 June 2023 | 40,081 | 48,687 | 273,193 | 361,961 |

Addition on right-of-use assets:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** RM | **2023** RM | **2024** RM | **2023** RM |
| Addition of right-of-use assets | 506,084 | 872,833 | 501,998 | 312,595 |
| Less: Financed through lease liabilities | (506,084) | (872,833) | (501,998) | (312,595) |
| Cash disbursed for addition of right-of-use assets | - | - | - | - |

## 6. LEASES (CONT'D)

### 6.2 Lease liabilities

**The Group as lessee**

| | Computer and software RM | Motor vehicles RM | Buildings RM | Total RM |
|---|---|---|---|---|
| **Carrying amount** | | | | |
| Balance as at 1 July 2023 | 48,246 | 562,219 | 714,240 | 1,324,705 |
| New leases entered into during the financial year | 18,024 | - | 488,060 | 506,084 |
| Lease agreement terminated during the financial year | - | - | (12,020) | (12,020) |
| Lease payments | (35,270) | (199,944) | (487,290) | (722,504) |
| Interest expense | 1,812 | 21,299 | 26,357 | 49,468 |
| Balance as at 30 June 2024 | 32,812 | 383,574 | 729,347 | 1,145,733 |
| **Carrying amount** | | | | |
| Balance as at 1 July 2022 | 2,556,946 | 726,379 | 329,232 | 3,612,557 |
| New leases entered into during the financial year | 22,769 | - | 850,064 | 872,833 |
| Lease payments | (2,575,982) | (212,232) | (487,880) | (3,276,094) |
| Interest expense | 44,513 | 48,072 | 22,824 | 115,409 |
| Balance as at 30 June 2023 | 48,246 | 562,219 | 714,240 | 1,324,705 |

**The Company as lessee**

| | Computer and software RM | Motor vehicles RM | Buildings RM | Total RM |
|---|---|---|---|---|
| **Carrying amount** | | | | |
| Balance as at 1 July 2023 | 41,695 | 60,428 | 273,757 | 375,880 |
| New leases entered into during the financial year | 13,938 | - | 488,060 | 501,998 |
| Lease agreement terminated during the financial year | - | - | (12,020) | (12,020) |
| Lease payments | (31,943) | (61,332) | (288,893) | (382,168) |
| Interest expense | 1,349 | 904 | 8,745 | 10,998 |
| Balance as at 30 June 2024 | 25,039 | - | 469,649 | 494,688 |
| **Carrying amount** | | | | |
| Balance as at 1 July 2022 | 61,404 | 130,793 | 265,697 | 457,894 |
| New leases entered into during the financial year | 14,564 | - | 298,031 | 312,595 |
| Lease payments | (36,499) | (73,620) | (295,879) | (405,998) |
| Interest expense | 2,226 | 3,255 | 5,908 | 11,389 |
| Balance as at 30 June 2023 | 41,695 | 60,428 | 273,757 | 375,880 |

## 6. LEASES (CONT'D)

### 6.2 Lease liabilities (cont'd)

**The Group and the Company as a lessee**

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | RM | RM | RM | RM |
| **Lease liabilities - secured** | | | | |
| Represented by: | | | | |
| Current liabilities | 383,576 | - | - | - |
| | 383,576 | - | - | - |
| **Lease liabilities - unsecured** | | | | |
| Represented by: | | | | |
| Current liabilities | 459,760 | 662,912 | 262,432 | 363,280 |
| Non-current liabilities | 302,397 | 661,793 | 232,256 | 12,600 |
| | 762,157 | 1,324,705 | 494,688 | 375,880 |
| Lease liabilities - total | 1,145,733 | 1,324,705 | 494,688 | 375,880 |
| Minimum lease payment | | | | |
| - Not later than one year | 870,873 | 712,297 | 279,723 | 372,213 |
| - Later than one year and not later than five years | 309,134 | 670,635 | 238,106 | 12,792 |
| | 1,180,007 | 1,382,932 | 517,829 | 385,005 |
| Future finance charges on lease liabilities | (34,274) | (58,227) | (23,141) | (9,125) |
| Present value of lease liabilities | 1,145,733 | 1,324,705 | 494,688 | 375,880 |
| Present value of lease liabilities is analysed as follows: | | | | |
| Current liabilities | | | | |
| - Not later than one year | 843,336 | 662,912 | 262,432 | 363,280 |
| Non-current liabilities | | | | |
| - Later than one year and not later than five years | 302,397 | 661,793 | 232,256 | 12,600 |
| | 1,145,733 | 1,324,705 | 494,688 | 375,880 |

Rates of interest charged per annum:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | % | % | % | % |
| Lease liabilities owing to financial institutions | 5.77 - 5.87 | 5.77 - 5.87 | - | - |
| Lease liabilities owing to non-financial institutions | 3.55 - 7.70 | 3.41 - 7.70 | 3.55 - 7.70 | 3.41 - 7.70 |

## 6. LEASES (CONT'D)

### 6.2 Lease liabilities (cont'd)

**The Group and the Company as a lessee (cont'd)**

(a) The Group and the Company have certain low value leases of computer and software with amount of RM20,000 and below. The Group and the Company apply the "lease of low- value assets" exemptions for these leases.

(b) Computer and software
The Group and the Company have entered into non-cancellable operating lease agreement for the use of computer and software for a period between one (1) to three (3) years, with no renewal or purchase option after the end of lease term date included in the agreement.

(c) Motor Vehicles
The Group and the Company have entered into non-cancellable hire-purchase agreement for the use of motor vehicles for a period three (3) years, with an option to purchase the right-of-use asset at the end of lease term date included in the agreement. The depreciation of the right-of use assets are over the useful life of 5 years.

(d) Buildings
The Group and the Company have entered into non-cancellable operating lease agreement for the use of buildings for a period between one (1) to three (3) years, with an option to renew the lease after the end of lease term date included in the agreement.

*Extension options*
Some leases of buildings contain extension options exercisable by the Group up to two (2) years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

(e) The following are the amounts recognised in profit or loss:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | RM | RM | RM | RM |
| Depreciation of right-of-use assets (included in other expenses) | 664,716 | 728,339 | 361,084 | 395,002 |
| Interest on lease liabilities (included in cost of sales and finance cost) | 49,468 | 115,409 | 10,998 | 11,389 |
| Expense relating to lease of low-value assets (included in other expenses) (Note 26) | 5,510 | 5,776 | 3,832 | 4,780 |
| Gain on termination of lease | (2,670) | - | (2,670) | - |
| | 717,024 | 849,524 | 373,244 | 411,171 |

(f) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM722,504 (2023: RM3,276,094) and RM382,168 (2023: RM405,998) respectively.

(g) At the end of the financial year, the Group and the Company had total cash outflow for low- value assets of RM5,510 (2023: RM5,776) and RM3,832 (2023: RM4,780) respectively.

## 7. INTANGIBLE ASSETS

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | RM | RM |
| **At cost** | | |
| Balance as at beginning and end of the financial year | 19,526,100 | 19,526,100 |
| **Less: Accumulated amortisation** | | |
| Balance as at beginning of the financial year | 14,711,766 | 13,755,258 |
| Charge for the financial year | - | 956,508 |
| Balance as at end of the financial year | 14,711,766 | 14,711,766 |
| **Less: Accumulated impairment losses** | | |
| Balance as at beginning and end of the financial year | 4,814,334 | 4,218,409 |
| Charge for the financial year | - | 595,925 |
| Balance as at end of the financial year | 4,814,334 | 4,814,334 |
| **Net carrying amount** | | |
| Balance as at end of the financial year | - | - |

Intangible assets of the Group and of the Company relate to the SurfsTeK rSupport Intelligent Solutions ("SrIS"), e-HR and Vulnerability Assessment Penetration Tool ("VAPT").

## 8. INVESTMENT IN SUBSIDIARY COMPANIES

| | Company | |
|---|---|---|
| | 2024 | 2023 |
| | RM | RM |
| **Unquoted shares, at cost** | | |
| Balance as at beginning of the financial year | 38,796,075 | 38,096,075 |
| Additions | 49 | 700,000 |
| Balance as at end of the financial year | 38,796,124 | 38,796,075 |
| **Less: Accumulated impairment losses** | | |
| Balance as at beginning of the financial year | 15,853,380 | 14,318,643 |
| Impairment losses recognised during the financial year | 6,273,164 | 1,534,737 |
| Balance as at end of the financial year | 22,126,544 | 15,853,380 |
| **Net carrying amount** | | |
| Balance as at end of the financial year | 16,669,580 | 22,942,695 |

The management carried out impairment assessment of the recoverable amounts of its investment in subsidiaries. The impairment losses provided in investments in application, support, services and hardware and e-commerce and manpower outsourcing segments subsidiary companies as the subsidiary companies reported continued losses. The recoverable amounts are based on the value-in-use of the respective subsidiary companies.

## 8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Based on management's impairment assessment, impairment losses on the cost of investments in application, support, services and hardware and e- commerce subsidiary companies of RM4,888,198 (2023: RM1,534,737) and manpower outsourcing subsidiary company of RM1,384,966 (2023: Nil) respectively were recognised during the financial year.

The subsidiary companies, which are incorporated and with principle place of business in Malaysia, are as follows:-

| Name of subsidiaries | Effective equity interest | | Country of incorporation and principal place of business | Principal activities |
|---|---|---|---|---|
| | 2024 | 2023 | | |
| Grayscale Technologies Sdn. Bhd. ^ | 100% | 100% | Malaysia | Providing information technology products and related services, and carrying out relevant research and development activities. |
| Green Forte Sdn. Bhd. *(formely known as Mydata Advisory Sdn. Bhd. )*^ (b) | 100% | 51% | Malaysia | Dormant. |
| Grayscale 360 Sdn. Bhd. *(formely known as Idealseed Consultancy Services Sdn. Bhd.)* ^ | 100% | 100% | Malaysia | Provision of recruitment services and executive search. |
| Techscale Sdn. Bhd. ^ | 100% | 100% | Malaysia | Providing information and technology products and related services, and carrying out relevant research and development activities. |
| Ecoscale Sdn. Bhd. *(formely known as T5 Advance Venture Sdn. Bhd.)* ^ | 100% | 100% | Malaysia | Dormant. |
| Upscale Sdn. Bhd. ^(a) | 99.09% | 99.09% | Malaysia | Provision of information technology professional outsourcing services, information communication technology consultancy and information communication technology project management services. |

Subsidiary companies of Techscale Sdn. Bhd.

| | | | | |
|---|---|---|---|---|
| Evoscale Sdn. Bhd. ^ | 100% | 100% | Malaysia | Supplying computer hardware, components and all kind of computer related products. |

Subsidiary company of Grayscale Technologies Sdn. Bhd.

| | | | | |
|---|---|---|---|---|
| Technodex Accubits Sdn. Bhd. ^ | 51% | 51% | Malaysia | Dormant. |

^ *Audited by CAS Malaysia PLT.*

## 8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

**(a) Additional investment in Upscale Sdn. Bhd.**

On 5 April 2023, the Company subscribed an additional of 700,000 new ordinary shares at an issue price of RM1.00 per share in Upscale Sdn. Bhd. by capitalisation of RM700,000.

The additional investment in Upscale Sdn. Bhd. lead to change in effective control interest from 98.42% to 99.09%.

**(b) Acquisition of 49% equity interest in Green Forte Sdn. Bhd.** *(formerly known as Mydata Advisory Sdn. Bhd.)*

On 18 October 2023, Green Forte Sdn. Bhd. *(formerly known as Mydata Advisory Sdn. Bhd.)* has transferred 49% equity interest to Technodex Bhd. The transfer of shares from Green Forte Sdn Bhd *(formerly known as Mydata Advisory Sdn. Bhd.)* to Technodex Bhd. lead to change in effective control interest from 51% to 100% during the year.

Effect on acquisition on cash flow:-

| | **Group** |
|---|---|
| | **2024** |
| | RM |
| Fair value of non-controlling interest | 8,771 |
| Add: Post-acquisition retained earnings | (8,722) |
| | 49 |

**(c) Non-controlling interest**

The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:-

| | **Upscale Sdn. Bhd.** ("USB") | **Green Forte Sdn. Bhd.** ("GFSB") | **Technodex Accubits Sdn. Bhd.** ("TASB") | **Total** |
|---|---|---|---|---|
| 2024 | | | | |
| NCI percentage of ownership interest and voting interest (%) | 0.91 | - | 49 | - |
| Carrying amount of NCI | (15,093) | 49 | (13,960) | (29,004) |
| Loss allocated to NCI | (3,322) | (617) | (4,978) | (8,917) |
| 2023 | | | | |
| NCI percentage of ownership interest and voting interest (%) | 0.91 | 49 | 49 | - |
| Carrying amount of NCI | (11,723) | (8,105) | (8,981) | (28,809) |
| Loss allocated to NCI | (12,928) | (3,580) | (4,242) | (20,750) |

The summarised financial information for each subsidiary that has non-controlling interest are material to the Group is provided below. This information is based on amounts before inter-company eliminations.

## 8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

### (c) Non-controlling interest (cont'd)

Summarised statement of profit or loss for financial year ended:

| | USB RM | GFSB RM | TASB RM | Total RM |
|---|---|---|---|---|
| **2024** | | | | |
| Revenue | 3,128,477 | - | - | 3,128,477 |
| Loss for the financial year | (365,013) | (87,123) | (10,160) | (462,296) |
| Total comprehensive expenses | (365,013) | (87,123) | (10,160) | (462,296) |
| Attributable to non-controlling interests | (3,322) | (617) | (4,978) | (8,917) |
| **2023** | | | | |
| Revenue | 5,336,569 | - | - | 5,336,569 |
| Loss for the financial year | (818,206) | (7,307) | (8,657) | (834,170) |
| Total comprehensive expenses | (818,206) | (7,307) | (8,657) | (834,170) |
| Attributable to non-controlling interests | (12,928) | (3,580) | (4,242) | (20,750) |

Summarised statement of financial position as at:

| | USB RM | GFSB RM | TASB RM | Total RM |
|---|---|---|---|---|
| **2024** | | | | |
| Non-current assets | 7,790 | - | - | 7,790 |
| Current assets | 2,813,620 | 3,650 | 398 | 2,817,668 |
| Current liabilities | (3,234,163) | (110,526) | (28,887) | (3,373,576) |
| Net liabilities | (412,753) | (106,876) | (28,489) | (548,118) |
| **2023** | | | | |
| Non-current assets | 11,902 | - | - | 11,902 |
| Current assets | 2,286,059 | 49 | 398 | 2,286,506 |
| Current liabilities | (2,345,702) | (19,802) | (18,727) | (2,384,231) |
| Net liabilities | (47,741) | (19,753) | (18,329) | (85,823) |

Summarised cash flow information for financial year ended:

| | USB RM | GFSB RM | TASB RM | Total RM |
|---|---|---|---|---|
| **2024** | | | | |
| Net cash flows used in operating activities | (596,017) | (70,008) | (10,816) | (676,841) |
| Net cash flows used in investing activities | (23,425) | - | - | (23,425) |
| Net cash flows (used in)/generated from financing activities | (18,899) | 73,609 | 10,816 | 65,525 |
| **2023** | | | | |
| Net cash flows used in operating activities | (149,128) | (5,022) | (7,275) | (161,425) |
| Net cash flows used in investing activities | (30,000) | - | - | (30,000) |
| Net cash flows generated from financing activities | 427,476 | 5,071 | 7,373 | 439,920 |

## 9. GOODWILL ON CONSOLIDATION

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| **At cost** | | |
| Balance as at beginning and end of the financial year | 2,713,542 | 2,713,542 |
| **Less: Accumulated impairment losses** | | |
| Balance as at beginning of the financial year | 1,559,393 | 1,559,393 |
| Impairment losses recognised during the financial year | 1,154,149 | - |
| Balance as at end of the financial year | 2,713,542 | 1,559,393 |
| **Net carrying amount** | | |
| Balance as at end of the financial year | - | 1,154,149 |

The Group considers each subsidiary company as a single CGU. The carrying amount of goodwill amounting to Nil (2023: RM1,154,149) has been allocated to the investment manpower outsourcing CGU.

The recoverable amounts of a CGU is determined based on the value-in-use calculation. The key assumptions used in the computation of value in use are gross margin, discount rates, growth rates, projected cash flows from use and terminal value.

The projected cash flows from use are derived from the most recent financial budgets approved by Board for the next five years and extrapolated cash flows for the following years based on estimated growth rates. The growth rate used is based on the expected projection of the manpower outsourcing services.

The gross margin used is based on past performance and the expectation of market development.

The value-in-use calculation is determined using discounted cash flow projection discounted at rates which reflects current market assessment of the time value of money and risks relating to the relevant CGU.

The key assumptions used for determining value in use are as follows:

| | Group 2024 % | Group 2023 % |
|---|---|---|
| Gross margin | 30 - 31 | 24 - 25 |
| Growth rate | 10 - 28 | 10 - 26 |
| Discount rate | 5.80 | 6.40 |

The management carried out an annual review of the recoverable amounts of its goodwill at each financial year. The impairment lossess of RM1,154,149 provided was attributable to manpower outsourcing CGU of the subsidiary company because it reported continued loss.

The Group believes that any reasonable possible change in the above key assumptions applied are not likely to materially cause the recoverable amounts to be lower than their carrying amounts.

## 10. OTHER INVESTMENT

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| **Quoted shares in Malaysia, at fair value:-** | | | | |
| Balance as at beginning of the financial year | 458,900 | 706,000 | 458,900 | 706,000 |
| Fair value loss | - | (247,100) | - | (247,100) |
| Balance as at end of the financial year | 458,900 | 458,900 | 458,900 | 458,900 |

(i) Investment in quoted shares of the Group and of the Company are designated at fair value through profit or loss. Fair value of these equity shares is determined by reference to published price quotations in an active market.

(ii) Quoted shares if the Group and the Company are categorised as Level 1 in the fair value hierarchy. Fair value of the quoted shares of the Group and the Company are estimated based on unadjusted closing price in active market.

## 11. INVENTORIES

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | RM | RM |
| **At cost** | | |
| Trading stocks - computer peripheral | 7,955,328 | 5,620,977 |
| **Recognised in profit or loss** | | |
| Inventories recognised as cost of sales | 33,532,162 | 46,029,101 |
| Inventories written off | 295,745 | - |
| (Reversal)/Provision for slow moving inventory | (206,347) | 248,108 |

Inventories written off and provision for slow moving inventories is excluded from cost of sales.

## 12. TRADE RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Trade receivables | | | | |
| - third parties | 7,730,984 | 6,312,520 | 17,500 | - |
| - subsidiary companies | - | - | 1,817,714 | 1,382,425 |
| Trade receivables - gross | 7,730,984 | 6,312,520 | 1,835,214 | 1,382,425 |
| Less: Allowance for impairment losses | (1,191,480) | (1,105,557) | (180,580) | (163,080) |
| Trade receivables - net | 6,539,504 | 5,206,963 | 1,654,634 | 1,219,345 |

## 12. TRADE RECEIVABLES (CONT'D)

Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'other expenses' in the profit or loss. Unless the Group and the Company are satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Group

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

| | Lifetime ECL | Credit impaired | Total |
|---|---|---|---|
| 2024 | RM | RM | RM |
| Balance as at beginning of the financial year | - | 1,105,557 | 1,105,557 |
| Allowance for impairment losses | - | 85,923 | 85,923 |
| Balance as at end of the financial year | - | 1,191,480 | 1,191,480 |
| 2023 | | | |
| Balance as at beginning of the financial year | - | 1,099,137 | 1,099,137 |
| Allowance for impairment losses | - | 6,420 | 6,420 |
| Balance as at end of the financial year | - | 1,105,557 | 1,105,557 |

Based on the Group's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

The reversal of allowance for impairment lossess on trade receivables is due to the collection made from the trade receivables which had previously impaired.

## 12. TRADE RECEIVABLES (CONT'D)

Company

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

| 2024 | Lifetime ECL RM | Credit impaired RM | Total RM |
|---|---|---|---|
| Balance as at beginning of the financial year | - | 163,080 | 163,080 |
| Addition | - | 17,500 | 17,500 |
| Balance as at end of the financial year | - | 180,580 | 180,580 |
| **2023** | | | |
| Balance as at beginning and end of the financial year | - | 163,080 | 163,080 |

The allowance for impairment losses of trade receivables are those trade receivables that are individually impaired. These trade receivables are in significant difficulties and have defaulted on payments. They are not secured by any collateral or credit enhancement.

Group

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

| | | Allowance for impairment losses | | |
|---|---|---|---|---|
| 2024 | Gross carrying amount RM | ECL (Collectively assessed) RM | ECL (Individually assessed) RM | Net balance RM |
| Neither past due | 4,309,456 | - | - | 4,309,456 |
| Past due 1 - 30 days | 1,206,936 | - | - | 1,206,936 |
| Past due 31 - 60 days | 552,476 | - | - | 552,476 |
| Past due 61 - 90 days | 108,308 | - | - | 108,308 |
| More than 90 days past due | 362,328 | - | - | 362,328 |
| | 6,539,504 | - | - | 6,539,504 |
| Credit Impaired | | | | |
| More than 90 days past due | 1,191,480 | - | ( 1,191,480) | - |
| | 7,730,984 | - | (1,191,480) | 6,539,504 |

## 12. TRADE RECEIVABLES (CONT'D)

| 2023 | Gross carrying amount RM | Allowance for impairment losses ECL (Collectively assessed) RM | ECL (Individually assessed) RM | Net balance RM |
|---|---|---|---|---|
| Neither past due | 3,085,361 | - | - | 3,085,361 |
| Past due 1 - 30 days | 1,064,118 | - | - | 1,064,118 |
| Past due 31 - 60 days | (3,746) | - | - | (3,746) |
| Past due 61 - 90 days | 162,991 | - | - | 162,991 |
| More than 90 days past due | 898,239 | - | - | 898,239 |
| | 5,206,963 | - | - | 5,206,963 |
| **Credit Impaired** | | | | |
| More than 90 days past due | 1,105,557 | - | (1,105,557) | - |
| | 6,312,520 | - | (1,105,557) | 5,206,963 |

Company

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

| 2024 | Gross carrying amount RM | Allowance for impairment losses ECL (Collectively assessed) RM | ECL (Individually assessed) RM | Net balance RM |
|---|---|---|---|---|
| Neither past due | 91,456 | - | - | 91,456 |
| Past due 1 - 30 days | 61,294 | - | - | 61,294 |
| Past due 61 - 90 days | 61,275 | - | - | 61,275 |
| More than 90 days past due | 1,440,609 | - | - | 1,440,609 |
| | 1,654,634 | - | - | 1,654,634 |
| **Credit Impaired** | | | | |
| More than 90 days past due | 180,580 | - | (180,580) | - |
| | 1,835,214 | - | (180,580) | 1,654,634 |
| **2023** | | | | |
| Neither past due | 91,732 | - | - | 91,732 |
| Past due 1 - 30 days | 61,363 | - | - | 61,363 |
| Past due 61 - 90 days | 61,513 | - | - | 61,513 |
| More than 90 days past due | 1,004,737 | - | - | 1,004,737 |
| | 1,219,345 | - | - | 1,219,345 |
| **Credit Impaired** | | | | |
| More than 90 days past due | 163,080 | - | (163,080) | - |
| | 1,382,425 | - | (163,080) | 1,219,345 |

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Group's normal trade credit term range from 30 to 60 days (2023: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.

## 13. OTHER RECEIVABLES

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | RM | RM | RM | RM |
| Other receivables | (i) | 527,005 | 557,891 | 21,994 | 39,745 |
| Less: Allowance for impairment losses | | (349,610) | (349,610) | - | - |
| | | 177,395 | 208,281 | 21,994 | 39,745 |
| Deposits | | 156,866 | 289,851 | 90,093 | 107,632 |
| Prepayments | (ii) | 144,082 | 1,619,358 | 31,966 | 80,239 |
| | | 300,948 | 1,909,209 | 122,059 | 187,871 |
| | | 478,343 | 2,117,490 | 144,053 | 227,616 |

(i) Other receivables represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the allowance for impairment losses of other receivables during the financial year are as follows:

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | RM | RM |
| Balance as at beginning of the financial year | 349,610 | 349,610 |
| Balance as at end of the financial year | 349,610 | 349,610 |

(ii) Included in prepayment of the Group is an amount of RM80,027 (2023: RM1,459,576) advance payment to supplier for purchase of inventories.

## 14. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

| | Company | |
|---|---|---|
| | 2024 | 2023 |
| | RM | RM |
| Amount due from subsidiary companies | 14,538,009 | 15,141,773 |
| Less: Allowance for impairment losses | (6,010,564) | (6,357,674) |
| Amount due from subsidiary companies - net | 8,527,445 | 8,784,099 |
| Amount due from subsidiary companies, comprise of: | | |
| - Interest bearing | 7,956,807 | 8,763,820 |
| - Non-interest bearing | 6,581,202 | 6,377,953 |
| | 14,538,009 | 15,141,773 |
| Amount due to subsidiary companies: | | |
| - Interest bearing | (479,030) | (907,087) |
| - Non-interest bearing | (87,812) | (77,689) |
| | (566,842) | (984,776) |

## 14. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES (CONT'D)

The amount due from/(to) subsidiary companies represented non-trade transactions which are unsecured and repayable on demand.

The movement in the allowance for impairment losses of amount due from subsidiary companies during the financial year are as follows:

| | Company | |
|---|---|---|
| | **2024** | **2023** |
| | RM | RM |
| Balance as at beginning of the financial year | 6,357,674 | 6,328,820 |
| Addition | - | 28,854 |
| Reversal of impairment losses | (347,110) | - |
| Balance as at end of the financial year | 6,010,564 | 6,357,674 |
| Rate of interest charged per annum: | | |
| Loan facility from/(to) subsidiary companies | 5.0% - 6.9% | 5.0% - 6.9% |

## 15. FIXED DEPOSITS WITH LICENSED BANKS

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | RM | RM | RM | RM |
| With maturity of 1 to 3 months | 767,520 | 4,819,350 | 519,660 | 3,458,642 |
| With maturity of more than 3 months | 2,312,824 | 2,190,269 | - | - |
| | 3,080,344 | 7,009,619 | 519,660 | 3,458,642 |

Included in fixed deposits with licensed banks of the Group at the end of the reporting year was which has been pledged to licensed banks as security for banking facilities of the Group as follows:

| | **2024** | **2023** |
|---|---|---|
| | RM | RM |
| Fixed deposit pledge: | | |
| Less than 3 months | 237,655 | 231,661 |
| More than 3 months | 2,312,824 | 2,190,269 |
| | 2,550,479 | 2,421,930 |

The effective interest rates and maturity period of the fixed deposits with licensed banks at the reporting date are as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| Effective interest rates | 1.80% - 3.15% | 1.80% - 3.15% |
| Maturity period | one month to twelve months | one month to twelve months |

| | Company | |
|---|---|---|
| | **2024** | **2023** |
| Effective interest rates | 1.80% - 2.80% | 1.80% - 2.80% |
| Maturity period | one month to twelve months | one month to twelve months |

## 16. SHARE CAPITAL

| | Group/Company | | | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | Number of shares (units) | | RM | RM |
| **Issued and fully paid up:** | | | | |
| Balance as at beginning of the financial year | 843,796,423 | 843,796,423 | 58,630,672 | 58,630,672 |
| Reduction in share capital | - | - | (42,000,000) | - |
| Balance as at end of the financial year | 843,796,423 | 843,796,423 | 16,630,672 | 58,630,672 |

During the financial year, the issued and paid up share capital of the Company of RM58,630,672 comprising 843,796,423 ordinary shares to be reduced by RM42,000,000 without cancellation of any ordinary shares of the Company to RM16,630,672 comprising 843,796,423 ordinary shares.

## 17. CAPITAL RESERVES

During the financial year, the High Court of Malaya had on 16 May 2024 granted an order confirming the Company to reduce its issued share capital from RM58,630,672 by RM42,000,000 without cancellation of any ordinary shares of the Company to RM16,630,672 comprising 843,796,423 ordinary shares. The sealed order of the High Court of Malaya confirming the Share Capital Reduction has been lodged with the Companies Commission of Malaysia on 21 June 2024. Pursuant thereto, the Share Capital Reduction has been completed on 21 June 2024.

## 18. ACCUMULATED LOSSES

The Group and the Company reported accumulated losses position as at reporting date.

## 19. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Trade payables | 2,309,179 | 1,917,546 | - | - |
| Add: | | | | |
| Accruals | 635,603 | 786,550 | 195,324 | 187,670 |
| Deposits received | 18,818 | 104,878 | - | - |
| Other payables | 362,352 | 281,484 | 211,990 | 203,718 |
| | 1,016,773 | 1,172,912 | 407,314 | 391,388 |
| Total trade and other payables | 3,325,952 | 3,090,458 | 407,314 | 391,388 |
| Total financial liabilities carrying at amortised costs | 3,325,952 | 3,090,458 | 407,314 | 391,388 |

Included in accruals is an amount of RM90,000 (2023: RM90,000) due to directors and former directors in respect of outstanding remuneration and fees of the Group and of the Company.

The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 30 to 60 days (2023: 30 to 60 days).

## 20. BANK OVERDRAFT

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| **Current liability** | | |
| ***Secured*** | | |
| Bank overdraft | 3,723,088 | 3,313,832 |
| | 3,723,088 | 3,313,832 |
| **Total loan and borrowings** | | |
| ***Secured*** | | |
| Bank overdraft | 3,723,088 | 3,313,832 |
| | 3,723,088 | 3,313,832 |

Rates of interest charged per annum:

| | Group 2024 % | Group 2023 % |
|---|---|---|
| Bank overdraft | BLR + 1.25 | BLR + 1.25 |

**(a) Bank overdraft**

Bank overdraft is secured by the following:

(i) Open All Monies Facilities Agreement to be entered into between one of the subsidiary companies and the bank;

(ii) First party pledge of fixed deposit of RM2,200,000 created by three of the subsidiary companies by way of an Open All Monies memorandum of deposit. The interest earned shall be capitalised and retained as security; and

(iii) Open All Monies corporate guarantee by the Company.

## 21. DEFERRED INCOME

The deferred income primarily relates to the Group's provision for contract placement sales during the financial year to reflect the probability of staffs resign during the guarantee period of 1 months to 3 months.

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| **Deferred income** | | |
| Advance received | 20,348 | - |
| Analysed as: | | |
| Current | 20,348 | - |
| | 20,348 | - |
| The changes to the deferred income are as follows: | | |
| At the beginning of the financial year | - | - |
| Billings issued during the financial year | 101,657 | - |
| Reversal of deferred income during the financial year | (81,309) | - |
| | 20,348 | - |

## 22. NET ASSETS PER SHARE

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | RM | RM |
| Net assets (RM) | 13,776,528 | 20,348,832 |
| Number of issued ordinary shares as at 30 June (units) | 843,796,423 | 843,796,423 |
| Net assets per share (RM) | 0.02 | 0.02 |

## 23. REVENUE

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Revenue comprises the following: | | | | |
| (i) Revenue from contract with customers | 40,687,374 | 56,108,416 | - | - |
| (ii) Revenue from other sources: | | | | |
| - Management fee income | - | - | 861,600 | 861,600 |
| | 40,687,374 | 56,108,416 | 861,600 | 861,600 |

### 23.1 Disaggregation of revenue from contracts with customers

The Group's revenue is disaggregated by principal geographical areas, major product and services line and timing of revenue recognition. This is consistent with the revenue information as disclosed in Note 32 Segment Information.

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Major products and services line | | | | |
| Sales of hardware | 37,302,844 | 50,425,242 | - | - |
| Information technology services | 272,156 | 319,680 | - | - |
| Recruitment and outsourcing services | 3,112,374 | 5,349,280 | - | - |
| Finance lease income | - | 14,214 | - | - |
| Management fee | - | - | 861,600 | 861,600 |
| | 40,687,374 | 56,108,416 | 861,600 | 861,600 |
| Timing of revenue recognition: | | | | |
| At point in time | 38,347,512 | 51,656,517 | - | - |
| At over time | 2,339,862 | 4,451,899 | 861,600 | 861,600 |
| | 40,687,374 | 56,108,416 | 861,600 | 861,600 |

## 23. REVENUE (CONT'D)

### 23.2 Revenue from remaining performance obligations

Revenue from remaining performance obligations where goods have not been delivered or services have not been rendered as at the reporting date are:

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| Rendering of services | | |
| - Within 1 year | 1,508,466 | 1,460,078 |
| - Between 1 to 2 years | 168,227 | 269,048 |
| | 1,676,693 | 1,729,126 |

### 23.3 Perfomance obligation

**Nature of goods and services**

The following information reflects the typical transaction of the Group:

| Segment | Nature of goods or services | Timing of recognition or method used to recognise revenue | Significant payment terms | Variable element in consideration | Obligation for return and refunds | Warranty |
|---|---|---|---|---|---|---|
| Sales of hardware | Sales of computer hardware | Revenue is recognised at a point in time upon delivery of goods to the customers. | Generally due within 30 to 60 days from invoice date. | Not applicable | Not applicable | Not applicable |
| IT services | Cybersecurity | Revenue is recognised at a point in time when the services are rendered. | Generally due within 30 to 60 days from invoice date. | Not applicable | Not applicable | Not applicable |
| | Service and maintenance | Revenue is recognised over time when the customer simultaneously receives and consumes the benefits. | Generally due within 30 to 60 days from invoice date. | Not applicable | Not applicable | Not applicable |
| Recruitment and outsourcing | Contract placement | Revenue is recognised at a point in time when the services are rendered. | Generally due within 30 to 60 days from invoice date. | For placement business, the Group is giving a 3 months guarantee period for each successful placement. | If a suitable placement cannot be found within 60 working days, the placement fee will be converted into credit against any other position within the next 12 months. | Not applicable |
| | Outsourcing fees | Revenue is recognised over time when the customer simultaneously receives and consumes the benefits. | Generally due within 30 to 60 days from invoice date. | Not applicable | Not applicable | Not applicable |

## 24. COST OF SALES

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| Other cost of sales | 36,247,342 | 49,498,380 |
| Contractor cost: | | |
| Salaries and other benefits | 1,161,026 | 2,668,611 |
| Employee's provident fund | 20,893 | 99,373 |
| Lease liabilities interest | - | 41,893 |
| | 37,429,261 | 52,308,257 |

## 25. FINANCE COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Bank overdraft interest | 272,800 | 270,451 | - | - |
| Lease liabilities interest (Note 6.2) | 49,468 | 73,516 | 10,998 | 11,389 |
| Inter-company interest | - | - | 30,366 | 27,162 |
| | 322,268 | 343,967 | 41,364 | 38,551 |

## 26. LOSS BEFORE TAXATION

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| **Loss before taxation is arrived at:** | | | | | |
| ***after charging*** | | | | | |
| Amortisation of intangible assets | 7 | - | 956,508 | - | - |
| Auditors' remuneration: | | | | | |
| Statutory audit | | 132,000 | 124,000 | 47,000 | 42,000 |
| Non-statutory audit | | 8,000 | 7,000 | 8,000 | 7,000 |
| Underprovision in previous year | | - | 100 | - | - |
| Depreciation: | | | | | |
| Property, plant and equipment | 5 | 179,931 | 202,459 | 121,788 | 120,539 |
| Right-of-use assets | 6.1 | 664,716 | 728,339 | 361,084 | 395,002 |
| Directors' remuneration: | | | | | |
| Fees | 29 | 360,000 | 360,000 | 360,000 | 360,000 |
| Overprovision in prior financial years | 29 | - | (68,000) | - | (68,000) |
| Other emoluments | 29 | 675,090 | 958,737 | 539,918 | 674,799 |

## 26. LOSS BEFORE TAXATION (CONT'D)

| | Note | Group 2024 RM | Group 2023 RM | Company 2024 RM | Company 2023 RM |
|---|---|---|---|---|---|
| Other key management personnel: | | | | | |
| Salaries and other benefits | 29 | 857,423 | 776,800 | 366,000 | 304,800 |
| Other employment benefits | 29 | 108,306 | 98,370 | 46,238 | 38,815 |
| Fair value loss on investment in quoted shares | 10 | - | 247,100 | - | 247,100 |
| Finance costs: | | | | | |
| Bank overdraft interest | 25 | 272,800 | 270,451 | - | - |
| Lease liabilities interest | 6.2 | 49,468 | 115,409 | 10,998 | 11,389 |
| Inter-company interest | 25 | - | - | 30,366 | 27,162 |
| Impairment loss on: | | | | | |
| Goodwill on consolidation | 9 | 1,154,149 | - | - | - |
| Amount due from subsidiary companies | 14 | - | - | - | 28,854 |
| Investment in a subsidiary company | 8 | - | - | 6,273,164 | 1,534,737 |
| Intangible assets | 7 | - | 595,925 | - | - |
| Trade receivables | 12 | 85,923 | 6,420 | 17,500 | - |
| Inventory written off | 11 | 295,745 | - | - | - |
| Loss on foreign exchange: | | | | | |
| Realised | | - | 77,728 | - | - |
| Unrealised | | - | 113,481 | - | - |
| (Reversal)/ Provision for slow- moving inventories | 11 | (206,347) | 248,108 | - | - |
| Rental of computer equipment | 6.2 | 5,510 | 5,776 | 3,832 | 4,780 |
| Staff costs: | | | | | |
| Salaries and other benefits | | 3,174,856 | 3,135,636 | 974,220 | 782,831 |
| Other employment benefits | | 217,293 | 270,826 | 84,296 | 59,432 |
| Loss of disposal of property, plant and equipment | | - | 224 | - | - |
| ***after crediting*** | | | | | |
| Gain on foreign exchange: | | | | | |
| Realised | | (14,911) | - | - | - |
| Unrealised | | (59,648) | - | - | - |
| Gain on disposal on: | | | | | |
| Property, plant and equipment | | - | (5,634) | - | - |
| Right-of-use assets | | - | (67,999) | - | - |
| Gain on termination of lease | | (2,670) | - | (2,670) | - |
| Reversal of impairment losses on: | | | | | |
| Amount due from subsidiary | 14 | - | - | (347,110) | - |
| Interest income | | (121,288) | (135,929) | (51,501) | (70,737) |
| Lease receivable interest income | | - | (14,214) | - | - |

## 27. TAXATION

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Current | | | | |
| Provision for current financial year | 1,491 | - | - | - |
| Underprovision in previous financial year | 19,043 | - | - | - |
| Tax expense for the financial year | 20,534 | - | - | - |

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Loss before taxation | (6,551,721) | (7,924,847) | (8,525,519) | (4,458,498) |
| Tax at the statutory tax rate of 24% during the financial year | (1,572,413) | (1,901,963) | (2,046,125) | (1,070,040) |
| Non-deductible expenses | 1,076,044 | 1,467,629 | 158,618 | 573,819 |
| Non-taxable income | (1,928,470) | (849,673) | - | - |
| Utilisation of previously unrecognised deferred tax assets | (11,374) | (5,156) | - | - |
| Deferred tax assets not recognised | 2,437,704 | 1,289,163 | 1,887,507 | 496,221 |
| Underprovision of taxation in previous financial year | 19,043 | - | - | - |
| Tax expense for the current financial year | 20,534 | - | - | - |

**(a) Deferred tax assets**

**Unrecognised deferred tax assets**

Below are the unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences of the Group and the Company which has not been recognised in the financial statements as they are not probable to be used to offset against the taxable profits of the companies of the Group:

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| Unabsorbed capital allowances | 1,690,657 | 1,786,576 | 1,598,350 | 1,560,017 |
| Unutilised tax losses | 48,571,859 | 38,282,020 | 20,314,640 | 12,394,578 |
| Other temporary differences | 2,129,160 | 2,222,836 | 818,996 | 918,434 |
| Lease liability | 758,784 | 762,487 | 494,688 | 315,452 |
| Right of use of asset | (742,519) | (755,684) | (493,524) | (319,942) |
| | 52,407,941 | 42,298,235 | 22,733,150 | 14,868,539 |
| Unrecognised deferred tax assets at 24% | 12,577,906 | 10,151,576 | 5,455,956 | 3,568,449 |

## 27. TAXATION (CONT'D)

### (a) Deferred tax assets (cont'd)

Unrecognised deferred tax assets (cont'd)

The unabsorbed capital allowances can be carried forward indefinitely and unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment ("YA") effective from year 2019 and it can only be utilised against income from the same business source. Pursuant to Section 8 of the Finance Act 2021, the unutilised tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The availability of unabsorbed capital allowances and unutilised tax losses for offsetting against future taxable profits of the respective companies within the Group and the Company are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| **Utilisation period** | | | | |
| Indefinite | 3,836,082 | 4,016,215 | 2,418,509 | 2,473,961 |
| Expired by YA 2028 | 14,845,015 | 14,845,015 | 8,394,990 | 8,394,990 |
| Expired by YA 2029 | 4,837,626 | 4,837,626 | 117,957 | 117,957 |
| Expired by YA 2030 | 3,790,060 | 3,790,060 | 99,444 | 99,444 |
| Expired by YA 2031 | 4,525,500 | 4,525,500 | 673,657 | 673,657 |
| Expired by YA 2032 | 5,852,647 | 5,773,377 | 1,146,271 | 1,146,271 |
| Expired by YA 2033 | 4,913,903 | 4,510,442 | 1,962,259 | 1,962,259 |
| Expired by YA 2034 | 9,807,108 | - | 7,920,063 | - |
| | 52,407,941 | 42,298,235 | 22,733,150 | 14,868,539 |

## 28. LOSS PER SHARE

### (a) Basic loss per ordinary share

The calculation of basic loss per ordinary share at 30 June 2024 is based on the loss attributable to ordinary shareholders and divided by weighted average number of ordinary shares outstanding, calculated as follows:

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| Loss attributable to owner of the company (RM) | (6,563,338) | (7,904,097) |
| Weighted average number of ordinary shares (units) | 843,796,234 | 843,796,234 |
| Basic loss per ordinary share attributable to owner of the Company (sen) | (0.78) | (0.94) |

### (b) Diluted loss per ordinary share

The group does not have any potential dilutive ordinary shares, thus, diluted loss per ordinary share is not presented.

## 29. KEY MANAGEMENT PERSONNEL'S REMUNERATION

The aggregate amounts of emoluments received and receivable by key management personnel of the Group and of the Company during the financial year are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| **Executive directors:** | | | | |
| Non-fee emoluments | | | | |
| - Salaries, bonuses and allowance | 600,000 | 852,000 | 480,000 | 600,000 |
| - Employment Provident Fund (EPF) and Social Security Organization (SOCSO) | 74,773 | 106,276 | 59,680 | 74,512 |
| - Employment Insurance System (EIS) | 317 | 461 | 238 | 287 |
| | 675,090 | 958,737 | 539,918 | 674,799 |
| **Non-executive directors:** | | | | |
| Fees | 360,000 | 360,000 | 360,000 | 360,000 |
| Less: Overprovision in prior financial years | - | (68,000) | - | (68,000) |
| | 360,000 | 292,000 | 360,000 | 292,000 |
| Total directors' remuneration | 1,035,090 | 1,250,737 | 899,918 | 966,799 |
| **Other key management personnel compensation** | | | | |
| - Salaries, bonusess and allowance | 857,423 | 776,800 | 366,000 | 304,800 |
| - Employment Provident Fund (EPF) and Social Security Organization (SOCSO) | 107,752 | 97,841 | 46,000 | 38,585 |
| - Employment Insurance System (EIS) | 554 | 529 | 238 | 230 |
| | 965,729 | 875,170 | 412,238 | 343,615 |
| | 2,000,819 | 2,125,907 | 1,312,156 | 1,310,414 |

## 30. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associated of the entity;

(iii) the party is a joint venture in which the entity is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v);

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity; or

(viii) the party it is a part provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity.

The Group and the Company have related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | RM | RM | RM | RM |
| Subsidiaries company | | | | |
| Management fee (Note 23) | - | - | (861,600) | (861,600) |
| Interest income | - | - | (364,999) | (412,972) |
| Advance from subsidiaries | - | - | 603,764 | 67,887 |
| Advance to subsidiaries | - | - | (417,934) | 803,372 |

(c) The key management personnel comprised all the directors of the Group and of the Company whose remuneration during the year are disclosed in Note 29.

(d) Other investment in quoted shares

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | RM | RM | RM | RM |
| Quoted shares (Note 10) | | | | |
| - Cost | 458,900 | 706,000 | 458,900 | 706,000 |
| - Fair value loss | - | (247,100) | - | (247,100) |
| | 458,900 | 458,900 | 458,900 | 458,900 |

The Company has acquired other investment in quoted shares in which the director of the Company has the common interest in those Company.

## 30. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

The directors of the Group and of the Company are of the opinion that the related party transactions have been entered into the normal course of business on an arm's length basis and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

## 31. FINANCIAL GUARANTEES CONTRACTS

| | Company | |
|---|---|---|
| | **2024** | **2023** |
| | RM | RM |
| **Corporate guarantee - unsecured** | | |
| Issued to third parties for supplies of good and services to a subsidiary company | 500,000 | 500,000 |
| Banking facilities granted to certain subsidiary companies | 3,723,088 | 3,313,832 |

As at the end of the reporting year, there was no indication that any subsidiary company would default on repayment.

The corporate guarantee have not been recognised since the fair value on initial recognition was not material as the repayment is on schedule and no liability.

## 32. SEGMENT INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group's chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services, which comprises the following:

| | | |
|---|---|---|
| **(i)** | Application support & services and hardware | Application development service, application support and maintenance service, data solutions and services, trading of desktop and laptop for consumer and commercial use, point of sales computers and related peripherals. |
| **(ii)** | Manpower outsourcing | Sourcing, selecting and outsourcing to fill for human resource needs. |
| **(iii)** | Others | Provide Group level corporate services and treasury functions and investments. |

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

### 32.1 Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

## 32. SEGMENT INFORMATION (CONT'D)

### 32.2 Geographical information

Segmental reporting by geographical regions has only been prepared for revenue as the Group's assets are located in Malaysia, China, Hong Kong, Thailand, Philippines and other countries. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | RM | RM | RM | RM |
| **Revenue** | | | | |
| - Malaysia | 40,124,598 | 53,230,305 | 861,600 | 861,600 |
| - Hong Kong | - | 1,754,069 | - | - |
| - China | - | 50,392 | - | - |
| - Philippines | 123,599 | 13,420 | - | - |
| - Thailand | 434,379 | - | - | - |
| - Others | 4,798 | 1,060,230 | - | - |
| | 40,687,374 | 56,108,416 | 861,600 | 861,600 |
| **Total revenue** | 40,687,374 | 56,108,416 | 861,600 | 861,600 |

### 32.3 Business segment

Group

| | Note | Application support & services and hardware | Manpower outsourcing | Others | Eliminations | Total as per consolidated financial statements |
|---|---|---|---|---|---|---|
| | | RM | RM | RM | RM | RM |
| 2024 | | | | | | |
| Revenue | | | | | | |
| External revenue | 23 | 37,575,000 | 3,112,374 | - | - | 40,687,374 |
| Inter-segment revenue | | 226,316 | 16,103 | 861,600 | (1,104,019) | - |
| | | 37,801,316 | 3,128,477 | 861,600 | (1,104,019) | 40,687,374 |
| Results | | | | | | |
| Segment results (external) | | (1,623,770) | (236,444) | (7,263,636) | 4,771,905 | (4,351,945) |
| Interest income | | 48,928 | 51,226 | 416,500 | (395,366) | 121,288 |
| Finance costs | 25, 26 | (500,586) | (175,684) | (41,364) | 395,366 | (322,268) |
| Depreciation and amortisation | 26 | (357,665) | (4,112) | (482,870) | - | (844,647) |
| Impairment on goodwill | 9 | - | - | (1,154,149) | - | (1,154,149) |
| Loss before taxation | | (2,433,093) | (365,014) | (8,525,519) | 4,771,905 | (6,551,721) |
| Tax expense | | | | | | (20,534) |
| Loss after taxation | | | | | | (6,572,255) |
| Non-controlling interests | | | | | | 8,917 |
| Net loss attributable to owners of the Company | | | | | | (6,563,338) |

## 32. SEGMENT INFORMATION (CONT'D)

### 32.3 Business segment (cont'd)

Group

| | Note | Application support & services and hardware RM | Manpower outsourcing RM | Others RM | Eliminations RM | Total as per consolidated financial statements RM |
|---|---|---|---|---|---|---|
| 2024 | | | | | | |
| Other information | | | | | | |
| Segment assets | | 23,004,455 | 2,821,409 | 29,387,023 | (33,221,238) | 21,991,649 |
| Segment liabilities | | 25,168,373 | 3,234,163 | 1,468,843 | (21,656,258) | 8,215,121 |
| Capital expenditure | | 506,169 | - | 2,782 | - | 508,951 |
| Non-cash expenses other than depreciation | | 62,308 | 35,865 | 17,500 | - | 115,673 |
| 2023 | | | | | | |
| Revenue | | | | | | |
| External revenue | 23 | 50,759,136 | 5,349,280 | - | - | 56,108,416 |
| Inter-segment revenue | | 43,991 | 17,289 | 861,600 | (922,880) | - |
| | | 50,803,127 | 5,366,569 | 861,600 | (922,880) | 56,108,416 |
| Results | | | | | | |
| Segment results (external) | | (2,495,290) | 121,786 | (4,388,116) | 1,569,935 | (5,191,685) |
| Interest income | 26 | 70,580 | 21,773 | 483,710 | (440,134) | 135,929 |
| Finance costs | 24,25 | (636,767) | (150,676) | (38,551) | 440,134 | (385,860) |
| Depreciation and amortisation | 26 | (1,344,282) | (27,483) | (515,541) | - | (1,887,306) |
| Impairment of intangible assets | 7 | (595,925) | - | - | - | (595,925) |
| Loss before taxation | | (5,001,684) | (34,600) | (4,458,498) | 1,569,935 | (7,924,847) |
| Tax expense | | | | | | - |
| Loss after taxation | | | | | | (7,924,847) |
| Non-controlling interests | | | | | | 20,750 |
| Net loss attributable to owners of the Company | | | | | | (7,904,097) |
| Other information | | | | | | |
| Segment assets | | 26,916,983 | 2,297,961 | 38,195,743 | (39,332,860) | 28,077,827 |
| Segment liabilities | | 26,702,560 | 2,345,702 | 1,752,044 | (23,071,311) | 7,728,995 |
| Capital expenditure | | 654,704 | - | 471,903 | - | 1,126,607 |
| Non-cash expenses other than depreciation | | 294,376 | - | 241,700 | - | 536,076 |

### 32.4 Major customers

During the financial year, major customer with revenue equal to or more than 10% of the Group revenue are as follows:

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| All common control companies of Customer A | 5,081,883 | 14,201,076 |
| All common control companies of Customer B | - | 5,479,170 |
| | 5,081,883 | 19,680,246 |

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks.

The Group and the Company are exposed to financial risk arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk, equity price risk and market price risk.

The board of directors and management reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer, Head of Finance and other heads of business units. The audit committee provides an independent oversight to the effectiveness of the risk management process.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

### 33.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables below. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institution.

The Group assessed ECL for trade receivables based on two different approaches, namely collective assessment and individual debtor assessment.

**(i) Collective approach**

To measure the expected credit losses under the collective approach, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and number of days past due. The expected loss rates are developed based on the historical credit loss rates. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified (i) internal credit rating and (ii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

**(ii) Individual debtor assessment**

The Group applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. The Group assesses the lifetime ECL when takes into consideration as follows:

- PD - Probability of default
  The likelihood that the borrower cannot pay during the contractual period
- LGD - Loss given default
  Percentage of contractual cash flows that will not be collected if default happens
- EAD - Exposure at default
  Outstanding amount that is exposed to default risk

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

#### 33.1 Credit risk (cont'd)

The Group has taken into account the probability-weighted recoverable amount determined via the evaluation of a range of possible outcomes. In deriving the PD and LGD, the Group considers historical data of each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

**(a) Trade receivables**

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The Group and the Company do not have any major concentration of credit risks related to any individual customer and counterparty. The maximum exposure to credit risk is disclosed in Note 12 to the financial statements, representing the carrying amount of the trade receivables recognised on the statements of financial position.

The exposure of credit risk for trade receivables by geographical region is as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | RM | RM |
| - Malaysia | 6,185,498 | 5,194,946 |
| - Singapore | - | 4,881 |
| - China | - | 6,364 |
| - Thailand | 351,953 | - |
| - Others | 2,053 | 772 |
| | 6,539,504 | 5,206,963 |

**(b) Advances to subsidiaries**

The Company provides unsecured advances to its subsidiaries and monitors the results of the subsidiaries regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. As at 30 June 2024, the Company had made sufficient allowance for impairment loss on advances to its subsidiaries. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

**(c) Other receivables and other financial assets**

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The maximum exposure to credit risk are disclosed in Note 13 to the financial statements, representing the carrying amount of the other receivables a recognised on the statement of financial position.

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

### 33.1 Credit risk (cont'd)

#### (d) Financial guarantees

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiary companies and the default is remote. The exposure to credit risk is disclosed in Note 31 and liquidity and cashflow risk is disclosed in Note 33.4 to the financial statements, representing the total banking facilities granted to the subsidiary companies as at the reporting date.

### 33.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets includes fixed deposits with licensed banks. Interest-bearing liabilities includes bank overdraft and lease liabilities.

The bank overdraft at floating rate exposes the Group to cash flow interest rate risk whilst lease liabilities and term loan at fixed rates expose the Group to fair value interest rate risk.

The interest rates per annum on the bank overdraft are disclosed in Note 20.

The Group adopts a strategy of mixing fixed and floating rate borrowing to minimise exposure to interest rate risk. The Company also reviews its debt portfolio to ensure favourable rates are obtained.

*Sensitivity analysis for interest rate risk*

| | Change in basis point | Effect on loss for the financial year | Effect on equity |
|---|---|---|---|
| | % | RM | RM |
| Group | | | |
| 30 June 2024 | +100 | 37,231 | 28,295 |
| | -100 | (37,231) | (28,295) |
| 30 June 2023 | +100 | 33,138 | 25,185 |
| | -100 | (33,138) | (25,185) |

### 33.3 Foreign currency risk

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

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

### 33.3 Foreign currency risk (cont'd)

The Group and the Company are not significantly exposed to foreign currency risk as the majority of the Group's and of the Company's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD").

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are managed by entering into forward contracts and the borrowing amounts are kept to an acceptable level.

Currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency of the entity. The currency exposure profile of the Group's and the Company's financial assets and financial liabilities are disclosed in the respective notes to the financial statements.

The net unhedged financial assets/(liabilities) of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

Group

| | USD<br>RM | Total<br>RM |
|---|---|---|
| **2024** | | |
| Cash and bank balances | 169,639 | 169,639 |
| Trade and other receivables | 354,006 | 354,006 |
| Trade payables | (5,639) | (5,639) |
| | 518,006 | 518,006 |
| **2023** | | |
| Cash and bank balances | 224,800 | 224,800 |
| Trade and other receivables | 12,017 | 12,017 |
| Trade payables | (907,146) | (907,146) |
| | (670,329) | (670,329) |

*Sensitivity analysis for foreign currency risk*

| | Change in basis point<br>% | Effect on loss for the financial year<br>RM | Effect on equity<br>RM |
|---|---|---|---|
| **Group** | | | |
| 30 June 2024 | +100 | (518,006) | (393,685) |
| | -100 | 518,006 | 393,685 |
| 30 June 2023 | +100 | 670,329 | 509,450 |
| | -100 | (670,329) | (509,450) |

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

### 33.4 Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintain bank facilities such as working capital lines deemed adequate by the management to ensure it will have sufficient liquidity to meet its liabilities when they fall due.

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual cash flows.

| | Carrying amount RM | Contractual interest rate RM | Contractual cash flow RM | Not later than 1 year RM | Later than 1 year but not more than 5 years RM | More than 5 years RM |
|---|---|---|---|---|---|---|
| **Group** | | | | | | |
| 2024 | | | | | | |
| Trade and other payables | 3,325,952 | - | 3,325,952 | 3,325,952 | - | - |
| Bank overdraft | 3,723,088 | BLR + 1.25 | 3,723,088 | 3,723,088 | - | - |
| Lease liabilities | 1,145,733 | 3.55 - 7.70 | 1,180,007 | 870,873 | 309,134 | - |
| Deferred income | 20,348 | | 20,348 | - | - | - |
| | 8,215,121 | | 8,249,395 | 7,919,913 | 309,134 | - |
| 2023 | | | | | | |
| Trade and other payables | 3,090,458 | - | 3,090,458 | 3,090,458 | - | - |
| Bank overdraft | 3,313,832 | BLR + 1.25 | 3,313,832 | 3,313,832 | - | - |
| Lease liabilities | 1,324,705 | 3.41 - 7.70 | 1,382,932 | 712,297 | 670,635 | - |
| | 7,728,995 | | 7,787,222 | 7,116,587 | 670,635 | - |

| | Carrying amount RM | Contractual interest rate RM | Contractual cash flow RM | Not later than 1 year RM | Later than 1 year but not more than 5 years RM | More than 5 years RM |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| 2024 | | | | | | |
| Other payables | 407,314 | - | 407,314 | 407,314 | - | - |
| Lease liabilities | 494,688 | 3.55 - 7.70 | 517,829 | 279,723 | 238,106 | - |
| Amount due to subsidiary companies | 566,842 | 3.30 - 6.90 | 566,842 | 566,842 | - | - |
| Financial guarantee contracts | 4,223,088 | - | 4,223,088 | 4,223,088 | - | - |
| | 5,691,932 | | 5,715,073 | 5,476,967 | 238,106 | - |
| 2023 | | | | | | |
| Other payables | 391,388 | - | 391,388 | 391,388 | - | - |
| Lease liabilities | 375,880 | 3.41 - 7.70 | 385,005 | 372,213 | 12,792 | - |
| Amount due to subsidiary companies | 984,776 | 3.30 - 6.90 | 984,776 | 984,776 | - | - |
| Financial guarantee contracts | 3,813,832 | - | 3,813,832 | 3,813,832 | - | - |
| | 5,565,876 | | 5,575,001 | 5,562,209 | 12,792 | - |

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

### 33.5 Classification of financial instruments

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | RM | RM | RM | RM |
| **Financial assets** | | | | |
| ***Fair value through profit or loss (FVTPL)*** | | | | |
| Other investment | 458,900 | 458,900 | 458,900 | 458,900 |
| | 458,900 | 458,900 | 458,900 | 458,900 |
| **Amortised costs** | | | | |
| Trade receivables | 6,539,504 | 5,206,963 | 1,654,634 | 1,219,345 |
| Other receivables | 334,261 | 498,132 | 112,087 | 147,377 |
| Amount due from subsidiary companies | - | - | 8,527,445 | 8,784,099 |
| Fixed deposits with licensed banks | 3,080,344 | 7,009,619 | 519,660 | 3,458,642 |
| Cash and bank balances | 1,439,730 | 4,117,300 | 564,676 | 268,928 |
| | 11,393,839 | 16,832,014 | 11,378,502 | 13,878,391 |
| **Financial liabilities** | | | | |
| **Amortised costs** | | | | |
| Trade payables | 2,309,179 | 1,917,546 | - | - |
| Other payables | 1,016,773 | 1,172,912 | 407,314 | 391,388 |
| Lease liabilities | 1,145,733 | 1,324,705 | 494,688 | 375,880 |
| Bank overdraft | 3,723,088 | 3,313,832 | - | - |
| Deferred income | 20,348 | - | - | - |
| Amount due to subsidiary companies | - | - | 566,842 | 984,776 |
| | 8,215,121 | 7,728,995 | 1,468,844 | 1,752,044 |

### 33.6 Fair value of financial instruments

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

| | |
|---|---|
| **Level 1** | Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date. |
| **Level 2** | Input 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** | Input for the asset or liability that are not based on observable market data (unobservable input). |

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

### 33.6 Fair value of financial instruments (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determine whether transfers have occurred between levels in the hierarchy by re- assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

The carrying amounts of cash and cash equivalents, short term receivables, payables and amount due from/(to) subsidiary companies approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that is carried at fair value.

| | Financial instruments that are carried at fair value | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | RM | RM | RM | RM |
| Group and Company | | | | |
| 2024 | | | | |
| **Financial asset** | | | | |
| Other investment | 458,900 | - | - | 458,900 |
| 2023 | | | | |
| **Financial asset** | | | | |
| Other investment | 458,900 | - | - | 458,900 |

The table below analyses financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

| | Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | RM | RM | RM | RM |
| Group | | | | |
| 2024 | | | | |
| **Financial liabilities** | | | | |
| Lease liabilities | - | - | 1,145,733 | 1,145,733 |
| 2023 | | | | |
| **Financial liabilities** | | | | |
| Lease liabilities | - | - | 1,324,705 | 1,324,705 |

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

### 33.6 Fair value of financial instruments (cont'd)

The table below analyses financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

| | Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | RM | RM | RM | RM |
| Company | | | | |
| 2024 | | | | |
| **Financial liabilities** | | | | |
| Lease liabilities | - | - | 494,688 | 494,688 |
| 2023 | | | | |
| **Financial liabilities** | | | | |
| Lease liabilities | - | - | 375,880 | 375,880 |

*Policy on transfer between levels*

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between Level 1 and 2 fair values during the financial year.

*Lease liabilities*

The fair value of these financial instruments which is determine for disclosure purposes are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested in the directors.

## 34. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage the capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2024.

The Group and the Company monitor capital using a net debt equity ratio, which is net debts divided by total capital. The Group's and the Company's net debts include lease liabilities and bank overdraft. Total capital comprises share capital and reserves attributable to equity holders of the Group and of the Company. The Group and the Company are not subject to externally imposed capital requirements.

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | RM | RM | RM | RM |
| Lease liabilities | 1,145,733 | 1,324,705 | 494,688 | 375,880 |
| Bank overdraft | 3,723,088 | 3,313,832 | - | - |
| Total debt | 4,868,821 | 4,638,537 | 494,688 | 375,880 |
| Total equity attributable to equity holders of the Group and the Company | 13,805,532 | 20,377,641 | 27,918,179 | 36,443,698 |
| Net debt against equity ratio | 0.35 | 0.23 | 0.02 | 0.01 |

## 35. SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

*During the financial year*

### 35.1 Capital reduction

During the financial year, the High Court of Malaya had on 16 May 2024 granted an order confirming the Company to reduce its issued share capital from RM58,630,672 by RM42,000,000 without cancellation of any ordinary shares of the Company to RM16,630,672 comprising 843,796,423 ordinary shares. The sealed order of the High Court of Malaya confirming the Share Capital Reduction has been lodged with the Companies Commission of Malaysia on 21 June 2024. Pursuant thereto, the Share Capital Reduction has been completed on 21 June 2024.

*Subsequent to financial year*

### 35.2 Private placement

During the financial year, the Company has announced a proposal to raise fund by undertaking private placement of up to 84,379,642 ordinary shares at an issued price to be determined at a later date. The proposed private placement has been approved by the Bursa Securities on 30 August 2024. However, as at the date of this financial statements, the proposed private placement is still pending implementation by the Company.

# ANALYSIS OF SHAREHOLDINGS

## AS AT 29 SEPTEMBER 2024

**Total number of Issued Shares** : 843,796,423 Ordinary Shares
**Class of Equity Securities** : Ordinary shares ("Shares")
**Voting Rights** : One (1) vote for every share held

### DISTRIBUTION SCHEDULE OF SHAREHOLDERS

| Size of Holdings | No. of Holders | % | No. of Shares | % |
|---|---|---|---|---|
| Less than 100 shares | 104 | 3.88 | 4,430 | * |
| 100 – 1,000 shares | 212 | 7.90 | 97,149 | 0.01 |
| 1,001 – 10,000 shares | 729 | 27.17 | 4,899,291 | 0.58 |
| 10,001 – 100,000 shares | 1,157 | 43.12 | 47,955,939 | 5.68 |
| 100,001 – less than 5% of issued shares | 480 | 17.89 | 682,097,914 | 80.84 |
| 5% and above of issued shares | 1 | 0.04 | 108,741,700 | 12.89 |
| **Total** | **2,683** | **100.00** | **843,796,423** | **100.00** |

* Negligible

### SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

*(As per the Register of Substantial Shareholders)*

| | Direct | | Indirect | |
|---|---|---|---|---|
| **Name of Substantial Shareholders** | **No. of Shares** | **%** | **No. of Shares** | **%** |
| Peh Lian Hwa | 137,482,600 | 16.29 | - | - |
| Koay Xing Boon | 50,796,100 | 6.02 | - | - |
| YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah | 46,150,000 | 5.47 | - | - |
| Tan Boon Wooi | 33,065,000 | 3.92 | 9,316,300# | 1.10 |

***Note:*** *# Deemed interested by virtue of his interest in Lian Soon Express Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.*

### DIRECTORS' SHAREHOLDING

*(As per the Register of Directors' Shareholdings)*

| | Direct | | Indirect | |
|---|---|---|---|---|
| **Name of Directors** | **No. of Shares** | **%** | **No. of Shares** | **%** |
| YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah | 46,150,000 | 5.47 | - | - |
| Peh Lian Hwa | 137,482,600 | 16.29 | - | - |
| Tan Sze Chong | 24,029,066 | 2.85 | 17,667,666* | 2.09 |
| Koay Xing Boon | 50,796,100 | 6.02 | - | - |
| Tan Boon Wooi | 33,065,000 | 3.92 | 9,316,300# | 1.10 |
| Datuk Abd Hamid Bin Abu Bakar | - | - | - | - |
| Saifulrizam Bin Zainal | - | - | - | - |
| Fairuz Kartini Binti Ahmad | - | - | - | - |

***Note:*** ** Deemed interested by virtue of his spouse's interest in Technodex Bhd.*
*# Deemed interested by virtue of his interest in Lian Soon Express Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.*

### 30 LARGEST SECURITIES ACCOUNT HOLDERS

*(without aggregating securities from different securities accounts belonging to the same person)*

| No. | Name | No. of Shares Held | % |
|---|---|---|---|
| 1. | Mercsec Nominees (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Peh Lian Hwa* | 108,741,700 | 12.89 |
| 2. | Mercsec Nominees (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Koay Xing Boon* | 39,208,700 | 4.65 |
| 3. | Amsec Nominees (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Yeoh Guan Fook* | 37,380,400 | 4.43 |
| 4. | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Tengku Abdul Hamid Thani Ibni Sultan Badlishah (MY3722)* | 35,300,000 | 4.18 |
| 5. | Kenanga Nominees (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Tan Boon Wooi* | 33,065,000 | 3.92 |
| 6. | Amsec Nominees (Tempatan) Sdn. Bhd.<br>*- Pledged securities account – AmBank (M) Berhad for Peh Lian Hwa (Smart)* | 28,740,900 | 3.41 |
| 7. | Tew Ah Keng | 25,100,000 | 2.98 |
| 8. | Ong San Leong | 24,063,500 | 2.85 |
| 9. | Tan Sze Chong | 24,029,066 | 2.85 |
| 10. | Amsec Nominees (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Keh Chuan Seng* | 23,014,900 | 2.73 |
| 11. | Mok Shiaw Hang | 18,875,700 | 2.24 |
| 12. | Mersec Nominees (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Choong Chee Meng* | 17,500,000 | 2.07 |
| 13. | Heng Ling Jy | 15,667,666 | 1.86 |
| 14. | Amsec Nominees (Tempatan) Sdn. Bhd.<br>*- Pledged securities account – AmBank (M) Berhad for Keh Chuan Seng (Smart)* | 11,944,100 | 1.42 |
| 15. | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Koay Xing Boon (MY3720)* | 11,587,400 | 1.37 |
| 16. | Tan Yaw Hock | 11,196,500 | 1.33 |
| 17. | Amsec Nominees (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Tengku Abdul Hamid Thani Ibni Sultan Badlishah* | 10,850,000 | 1.29 |
| 18. | Tew Ah Keng | 10,500,000 | 1.24 |
| 19. | Ong San Leong | 10,000,000 | 1.19 |
| 20. | Li Dan | 9,980,700 | 1.18 |
| 21. | Saw Chee Leong | 9,694,000 | 1.15 |
| 22. | Lian Soon Express Sdn. Bhd. | 9,316,300 | 1.10 |
| 23. | Alice Lim Lay Koon | 8,500,000 | 1.01 |
| 24. | Alliancegroup Nominees (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Lui Yuen Qiu (7001122)* | 5,851,050 | 0.69 |
| 25. | Chong Siew Chui | 5,518,866 | 0.65 |
| 26. | Maybank Nominees (Tempatan) Sdn. Bhd.<br>*- Ooi Sze Jeat* | 5,510,000 | 0.65 |
| 27. | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd.<br>*- Pledged securities account for Tew Ah Keng (MY2561)* | 5,300,000 | 0.63 |
| 28. | Ooi Geim Beng | 4,931,900 | 0.58 |
| 29. | Ong San Leong | 4,695,800 | 0.56 |
| 30. | RHB Nominees (Asing) Sdn. Bhd.<br>*- Pledged securities account for Ioannis Koromilas* | 4,000,000 | 0.47 |

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twentieth Annual General Meeting ("20th AGM" or "Meeting") of TECHNODEX BHD. ("TDEX or "the Company") will be held at the KLGCC Function Room 1 & 2 (Level 1) Main Lobby, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 10 December 2024 at 11:00 a.m. or at any adjournment thereof, to transact the following businesses:

## AGENDA

**As Ordinary Business:**

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the reports of the Directors and Auditors thereon. — **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees and/or benefits of up to RM390,000.00 for the period commencing from the date immediately after this 20th AGM until the date of the next Annual General Meeting ("AGM") of the Company. — **Ordinary Resolution 1**

3. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution:-
   (i) En. Saifulrizam Bin Zainal — **Ordinary Resolution 2**
   (ii) YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah — **Ordinary Resolution 3**
   (iii) Mr. Peh Lian Hwa — **Ordinary Resolution 4**

4. To re-appoint CAS Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 5**

**As Special Business:**

To consider and if thought fit, pass with or without any modifications, the following resolutions:

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** — **Ordinary Resolution 6**

   "THAT subject always to the Constitution of the Company, the Act, the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time ("Mandate") AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

   AND THAT pursuant to Section 85 of the Act read together with the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company AND the Board of Directors is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the issuance and allotment of new Shares pursuant to the Mandate.

AND FURTHER THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares."

6. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** **Special Resolution**

"THAT the proposed amendments to the Constitution of the Company as set out in "Appendix A", be approved and adopted with immediate effect AND THAT the Directors and/or Secretaries of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

7. To transact any other business of which due notice shall have been given.

By order of the Board

**TEA SOR HUA (MACS 01324) (CCM PC NO. 201908001272)**
**LEE XIANG YEE (MAICSA 7068124) (CCM PC NO. 202408000069)**
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
30 October 2024

**Notes:**

(a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak, and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(c) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting:-

  (i) In hard copy form

  In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

  (ii) By Electronic Form

  The Proxy Form can be electronically submitted via e-mail to bsr.helpdesk@boardroomlimited.com (for Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee only) or submitted via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 3 December 2024. Only members whose names appear in the General Meeting Record of Depositors as at 3 December 2024 shall be regarded as members and entitled to attend, participate, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

## EXPLANATORY NOTES

**1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2024**

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require the formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

**2. Item 2 of the Agenda – Directors' Fees and/or Benefits**

Pursuant to Section 230(1) of the Act, the Directors' fees and/or any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and/or benefits for the period commencing from the date immediately after this 20$^{th}$ AGM until the date of the next AGM of the Company. In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for such shortfall.

**3. Item 3 of the Agenda – Re-election of Directors**

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, three (3) of eight (8) Directors of the Company are to retire pursuant to Clause 85 of the Company's Constitution.

Following thereof, En. Saifulrizam Bin Zainal, YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah and Mr. Peh Lian Hwa will retire pursuant to Clause 85 of the Company's Constitution (collectively referred to as "Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at this 20$^{th}$ AGM.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek shareholders' approval to re-elect all the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Company's Annual Report 2024.

**4. Item 5 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Act**

The Company had at its Nineteenth AGM held on 5 December 2023 ("19th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot Shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of Shares to be issued does not exceed ten per centum (10%) of the total number of issued Shares of the Company (excluding treasury shares) at any point in time.

The Ordinary Resolution 6 proposed under item 5 of the Agenda is to seek a general mandate for issuance and allotment of new Shares in the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will provide flexibility for the Company and empower the Directors to issue and allot new Shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued Shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such new Shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of new Shares for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the general mandate granted to the Directors at the 19th AGM which will lapse at the conclusion of this 20th AGM.

Pursuant to Section 85 of the Act and the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This Ordinary Resolution, if passed, will exclude the shareholders' pre-emptive right to be offered new shares to be issued by the Company.

**5. Item 6 of the Agenda – Proposed Amendment to the Constitution of the Company ("Proposed Amendment")**

The Proposed Amendment primarily aims to refine Clause 54 of the Company's Constitution to provide greater clarity on the issuance of new shares or convertible securities by the Company.

The Proposed Amendment shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

# APPENDIX A

## PROPOSED AMENDMENTS TO THE CONSTITUTION OF TECHNODEX BHD. ("THE COMPANY")

This is Appendix A referred to in Agenda 6 of the Notice of Twentieth Annual General Meeting ("20th AGM") of the Company dated 30 October 2024.

| Clause No. | Existing Clause | Proposed Clause |
|---|---|---|
| 54<br><br>*Offer of new Shares* | Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares and/or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares and/or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company. | Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares and/or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares and/or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.<br><br>**For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable. In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible securities in proportion to the shareholdings of the existing Members.** |

**TechnoDex**

**TECHNODEX BHD**
[Registration No.: 200301025214 (627634-A)]
(Incorporated in Malaysia)

## ADMINISTRATIVE NOTES OF THE TWENTIETH (20th) ANNUAL GENERAL MEETING ("AGM")

| | | |
|---|---|---|
| Day and Date | : | Tuesday, 10 December 2024 |
| Time | : | 11:00 a.m. |
| Venue | : | KLGCC Function Room 1 & 2 (Level 1) Main Lobby, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D Off Jalan Bukit Kiara, 60000 Kuala Lumpur |

### PRECAUTIONARY MEASURES

The health and safety of the attendees at the 20th AGM of Technodex Bhd. ("the Company") is our main priority. Hence, the following precautionary measures will be taken for the conduct of the AGM:

(i) If you are unwell with fever, cough, sore throat, flu, shortness of breath or any symptoms of the Covid-19, you are strongly advised to refrain from attending the AGM in person and to appoint a proxy or the Chairman of the meeting as your proxy to attend and vote on your behalf at the 20th AGM.

(ii) Any attendees, particularly the high-risk individuals such as the elderly and pregnant women are strongly encouraged to wear a face mask and practice proper self-sanitisation as well as maintain social distancing throughout the meeting.

(iii) You are advised to check the Company's website at www.technodex.com and Bursa's website at https://www.bursamalaysia.com/ from time to time for any changes to the administration of the AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

### REGISTRATION

(i) Registration will start at 10:00 a.m. at KLGCC Function Room 1 & 2 (Level 1) Main Lobby, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia.

(ii) Please present your original MyKad/passport to the registration staff for verification.

(iii) Upon verification, you are required to write your name and sign the attendance list placed on the registration table.

(iv) You will be given an identification wristband with a personalised QR Code upon registration and only be allowed to enter the meeting hall if you are wearing the identification wristband. Please retain the identification wristband for voting.

(v) If you are attending the meeting as a member as well as a proxy, you will be registered once and will be given only one identification wristband to enter the meeting hall.

(vi) No person will be allowed to register on behalf of another person even with the original MyKad/passport of the other person.

### DIGITAL COPIES OF AGM DOCUMENTS

As part of our dedicated commitment to sustainable practices, please scan the QR code for the following documents of the Company, which are also available on and can be downloaded from Bursa Malaysia Securities Berhad's website at https://www.bursamalaysia.com/ under Company Announcements and the Company's website at www.technodex.com.

1. Annual Report 2024
2. Corporate Governance Report 2024
3. Notice of the 20th AGM and Proxy Form
4. Administrative Notes

Shareholders of the Company who wish for a printed copy of the Annual Report 2024 should submit your request to the email address at finance@technodex.com and must provide all the required information accurately, i.e. full name, CDS Account Number, full mailing address and shareholder's mobile number. However, please consider the environmental concern before you decide to request for the printed copy.

**ENTITLEMENT TO PARTICIPATE AND VOTE**

In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 3 December 2024 (General Meeting Record of Depositors) shall be eligible to attend the 20th AGM and/or appoint proxy(ies) to attend, participate and/or vote on his/her behalf.

**APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE**

In accordance with the Company's Constitution, shareholders are entitled to vote at the AGM either personally, electronically or by proxy. As the 20th AGM will be conducted at KLGCC Function Room 1 & 2 (Level 1) Main Lobby, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia, shareholders who are unable to participate in the AGM are encouraged to appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the Proxy Form. All Proxy Forms and documents relating to the appointment of proxy/proxies or attorney or authorised corporate representative for the AGM whether in hard copy or by electronic means must be deposited with or submitted to Boardroom no later than 11:00 a.m. on Sunday, 8 December 2024.

The appointment of Proxy may be made in hard copy or electronic form as follows:

1. **In hard copy form**

   Shareholders may deposit the duly executed Proxy Form at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

2. **In electronic form**

   The Proxy Form can be electronically submitted via e-mail to bsr.helpdesk@boardroomlimited.com (for Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee only) or submitted via BSIP at https://investor.boardroomlimited.com (for individual shareholders only). The steps are as follows:

**Step 1 – Register Online with BSIP (for first time registration only)**

*Note: If you have already signed up with BSIP, you are not required to register again. You may proceed to Step 2 – eProxy Lodgement.*

a. Access website at https://investor.boardroomlimited.com.
b. Click <<REGISTER>> to sign up as a user.
c. Complete registration and upload softcopy of your MyKAD (front and back) (for Malaysian) or Passport in JPEG, PNG or PDF format.
d. Please enter a valid email address and wait for email verification from Boardroom. Click on <<Verify E-mail Address>> from the e-mail received to continue with the registration.
e. Once your email address is verified, you will be re-direct to BSIP for verification of mobile number. Click on Request OTP Code and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click << Enter>> to complete the process.
f. Once your mobile number is verified, registration of your new BSIP account will be pending for final verification.

Your registration will be verified and approved within one (1) business day and an email notification will be provided.

**Step 2 – eProxy Lodgement**

a. Access website https://investor.boardroomlimited.com.
b. Login with your User ID and Password.
c. Select <<MEETING EVENT>> from main menu and select the correct Meeting Event "TECHNODEX BHD (20TH) ANNUAL GENERAL MEETING" and click <<Enter>>.
d. Go to <<PROXY>> and click <<Submit eProxy From>>.
e. Read the terms & conditions and confirm the Declaration.
f. Enter your CDS Account Number and indicate the number of securities.
g. Appoint your proxy(ies) or the Chairman of the 20th AGM and enter the required details for your proxy(ies).
h. Indicate your voting instructions – "FOR" or "AGAINST" or "ABSTAIN". If you wish to have your proxy(ies) to act upon his/her discretion, please indicate "DISCRETIONARY".
i. Review and confirm your proxy(ies) appointment.
j. Click <<Apply>>.
k. Download or print the eProxy Form acknowledgement.

**REVOCATION OF PROXY**

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the AGM. On revocation, your proxy(ies) will not be allowed to participate in the 20th AGM. In such event, you should advise your proxy accordingly.

**VOTING PROCEDURE**

- In accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the voting at the AGM will be conducted by poll. The Company has appointed Boardroom as the Poll Administrator to conduct the poll by way of electronic polling ("e-Polling") and Sky Corporate Services Sdn. Bhd. as the Scrutinisers to verify and validate the poll results.
- During the AGM, the Chairman will invite the Poll Administrator to brief on the e-Polling housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.
- For the purpose of this AGM, Shareholder/Proxy will be ushered by the Poll Administrator representatives to the polling stations to cast their votes via e-Polling.
- Upon completion of the voting session, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly carried or otherwise.

**PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS**

Shareholders may submit questions to the Board in advance of the 20th AGM by emailing to general@technodex.com no later than 11:00 a.m. on Sunday, 8 December 2024. The Board will endeavor to respond to the questions received at the AGM.

**NO RECORDING OR PHOTOGRAPHY**

Strictly no recording or photography of proceedings of the 20th AGM is allowed.

**ENQUIRY**

If you have any enquiries prior to the AGM, please contact the following during office hours from Monday to Friday (9:00 a.m. to 5:00 p.m.):

**Technodex Bhd.**
Unit E-07-03, Menara Suezcap 2
KL Gateway
No. 2, Jalan Kerinchi,
Gerbang Kerinchi Lestari
59200 Kuala Lumpur
Malaysia
General Line : +603-7932 0111
Fax Number : +603-7932 0222
Email : general@technodex.com

**Boardroom Share Registrars Sdn. Bhd.**
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
General Line : +603-7890 4700
Fax Number : +603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

**PROXY FORM**

**TECHNODEX BHD**
[Registration No.: 200301025214 (627634-A)]
(Incorporated in Malaysia)

| NO. OF SHARES HELD | |
|---|---|
| CDS ACCOUNT NO. | |

I/We* ______________________ [full name in capital letters] NRIC/Passport/RegistrationNo.* ______________________ of

______________________ [full address]

with email address ______________________ mobile phone no. ______________________

being a member/members* of TECHNODEX BHD. ("the Company") hereby appoint(s):-

| Full Name (in capital letters) | NRIC/Passport No.: | Proportion of Shareholdings | |
|---|---|---|---|
| | | No. of shares | % |
| Full Address (in capital letters) | | | |
| Contact No.: | | | |
| Email Address: | | | |

and/or *

| Full Name (in capital letters) | NRIC/Passport No.: | Proportion of Shareholdings | |
|---|---|---|---|
| | | No. of shares | % |
| Full Address (in capital letters) | | | |
| Contact No.: | | | |
| Email Address: | | | |

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Twentieth Annual General Meeting of the Company ("20th AGM" or "Meeting") to be held at the KLGCC Function Room 1 & 2 (Level 1) Main Lobby, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 10 December 2024 at 11:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

| No. | Ordinary Resolutions | For | Against |
|---|---|---|---|
| 1. | To approve the payment of Directors' fees and/or benefits of up to RM390,000.00 for the period commencing from the date immediately after this 20th AGM until the date of the next AGM of the Company. | | |
| 2. | To re-elect En. Saifulrizam Bin Zainal as a Director of the Company. | | |
| 3. | To re-elect YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah as a Director of the Company. | | |
| 4. | To re-elect Mr. Peh Lian Hwa as a Director of the Company. | | |
| 5. | To re-appoint CAS Malaysia PLT as Auditors of the Company. | | |
| 6. | To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016. | | |
| **No.** | **Special Resolution** | **For** | **Against** |
| 1. | To approve the Proposed Amendment to the Company's Constitution | | |

** delete whichever not applicable.*

Dated this ______________ day of ______________, 2024

______________________
Signature/Common Seal of Member(s)

NOTES:

(a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak, and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(c) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(f) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting:-

(i) In hard copy form
In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(ii) By Electronic Form
The Proxy Form can be electronically can be electronically submitted via e-mail to bsr.helpdesk@boardroomlimited.com (for Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee only) or submitted via Boardroom Smart Investor Portal at http://investor.boardroomlimited.com.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 3 December 2024. Only members whose names appear in the General Meeting Record of Depositors as at 3 December 2024 shall be regarded as members and entitled to attend, participate, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

PLEASE FOLD HERE

AFFIX
STAMP

The Share Registrar of

**TechnoDex Bhd**

[Registration No.: 200301025214 (627634-A)]

**Boardroom Share Registrars Sdn Bhd**
Ground Floor or 11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

PLEASE FOLD HERE

**TechnoDex Bhd**
[Registration No.: 200301025214 (627634-A)]
Unit E-07-03, Menara Suezcap 2,
KL Gateway, No. 2 Jalan Kerinchi,
Gerbang Kerinchi Lestari,
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Tel: (603) 7932 0111
Fax: (603) 7932 0222
www.technodex.com