CUSCAPI BERHAD
197801006160 (43190-H)

Level 27 & 28, Block N, Empire City Damansara,
No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

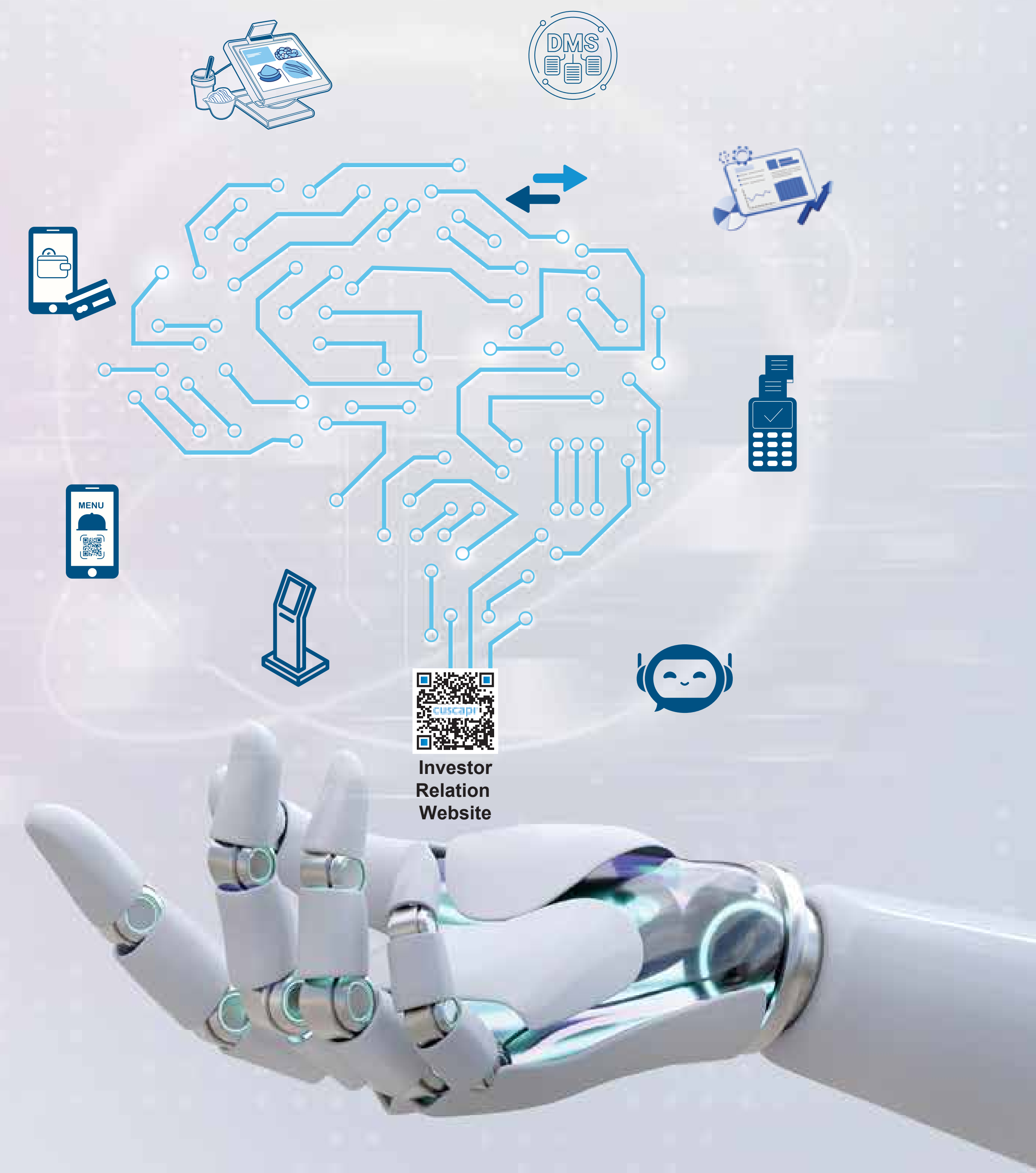
T: 6(03) 7623 7777 | F: 6(03) 7622 1999
E: information@cuscapi.com

www.cuscapi.com

CUSCAPI BERHAD 197801006160 (43190-H)

ANNUAL REPORT 2024

cuscapi®



ANNUAL REPORT 2024

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MISSION

To provide world-class solutions and services to bring our clients and their customers closer together.

VISION

To empower businesses to develop meaningful relationships with their customers.

OUR VALUES

Our "**EDICT**" values are what we uphold as an organisation. This guides our decisions, our actions and our approach to the challenges to our organisation and business. Through these values, we develop a consistent and single-minded approach in all that we do.

EXCELLENCE

We are always committed to deliver excellence to create true business value to our clients.

CREATIVITY

We see innovation as a means to contribute for client success. We thrive on creative thinking, constant challenging the way we approach our business and serve our clients, including their customers.

TEAM SPIRIT

We are at our best when we work as a team, sharing our collective knowledge to help our clients to realise value.

DRIVE

We are passionate about making a difference to our clients and their customers with enthusiasm in everything we do.

INTEGRITY

We conduct ourselves in a professional and honourable manner, contributing to the success of our company and our clients.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK JAYAKUMAR A/L PANNEER SELVAM
Executive Chairman

DATO' SRI KHAZALI BIN HAJI AHMAD
Executive Director

DATUK MAT NOOR BIN NAWI
Independent Non-Executive Director

DATO' SHEAH KOK FAH
Independent Non-Executive Director

PUAN MOHAINI BINTI MOHD YUSOF
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Datuk Mat Noor Bin Nawi
Chairman

Dato' Sheah Kok Fah
Member

Puan Mohaini Binti Mohd Yusof
Member

NOMINATION AND REMUNERATION COMMITTEE

Puan Mohaini Binti Mohd Yusof
Chairperson

Dato' Sheah Kok Fah
Member

COMPANY SECRETARIES

Tan Tong Lang
(SSM PC No. 202208000250)
(MAICSA 7045482)

Tan Lay Khoon
(SSM PC No. 202208000544)
(MAICSA 7077867)

REGISTERED OFFICE

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Tel : +603 9770 2200
Fax : +603 2201 7774
Email : boardroom@boardroom.com.my

CORPORATE OFFICE

Level 27 & 28, Block N
Empire City Damansara
No. 8, Jalan Damansara
PJU 8, 47820 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7623 7777
Fax : +603 7622 1999
Website : www.cuscapi.com
Email : information@cuscapi.com

EXTERNAL AUDITORS

UHY MALAYSIA PLT (LLP0041391-LCA & AF 1411)
Suite 11.05, Level 11,
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : +603 2279 3088
Fax : +603 2279 3099

INTERNAL AUDITORS

Crowe Governance Sdn. Bhd.
Level 13, Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : +603 2788 9999
Fax : +603 2788 9998

SHARE REGISTRAR

Aldpro Corporate Services Sdn. Bhd. [Registration No. 202101043817 (1444117-M)]
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Tel : +603 9770 2200
Fax : +603 2201 7774
Email : admin@aldpro.com.my

PRINCIPAL BANKERS

Standard Chartered Bank Malaysia Berhad
Malayan Banking Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : CUSCAPI
Stock Code : 0051

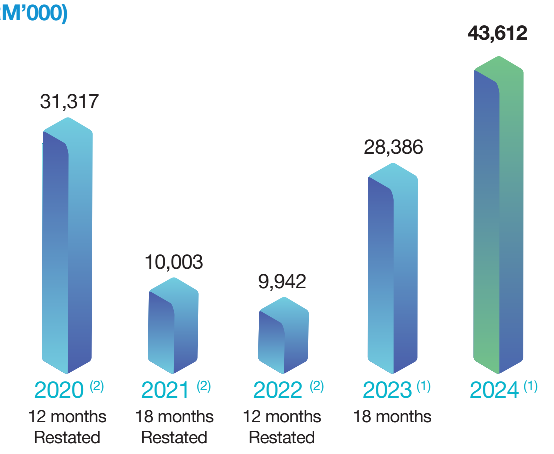
CORPORATE **STRUCTURE**

CUSCAPI BERHAD

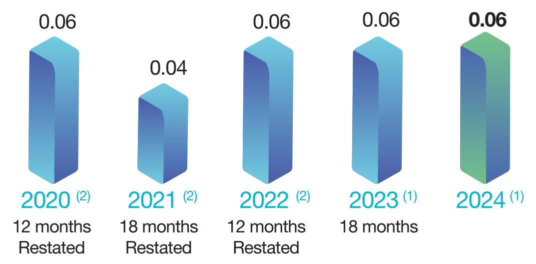
- 100% **CUSCAPI MALAYSIA SDN. BHD.**
- 100% **CUSCAPI INNOVATION LAB SDN. BHD.**
- 100% **CUSCAPI SOLUTIONS SDN. BHD.**
- 100% **CUSCAPI CONSULTING SERVICES SDN. BHD.**
- 100% **CUSCAPI OUTSOURCING SDN. BHD.**
- 100% **CUSCAPI INTERACTIVE SOLUTIONS SDN. BHD.**
- 100% **CUSCAPI BLOCKCHAIN SDN. BHD.**
- 100% **CUSCAPI (BD) LTD**
- 100% **LITAR PASIFIKA SDN. BHD.**
- 100% **CUSCAPI INTERNATIONAL SDN. BHD.**
  - 100% CUSCAPI HONG KONG LIMITED
    - 100% CUSCAPI SUZHOU CO. LTD.
    - 100% CUSCAPI GUANGZHOU CO. LTD.
    - 100% CUSCAPI BEIJING CO. LTD.
    - 100% CUSCAPI SHANGHAI CO. LTD.
    - 99.99% CUSCAPI PHILIPPINES, INC.
      - 99.99% TILLS N LABELS SYSTEM MARKETING, INC.
    - 100% CUSCAPI INTERACTIVE TECHNOLOGY (CHINA) PTY. LTD.
      - 100% SHANGHAI CUSCAPI INTERACTIVE NETWORK TECHNOLOGY CO. LTD.
- 100% **CUSCAPI INTERNATIONAL PTE. LTD.**
  - 100% CUSCAPI (THAILAND) CO. LTD.
  - 100% CUSCAPI SINGAPORE PTE. LTD.
  - 52.18% PT CUSCAPI INDONESIA
- 47.82% **PT CUSCAPI INDONESIA**
- 80% **CUSCAPI VIETNAM COMPANY LIMITED**
- 100% **MEGALODON CAPITAL MANAGEMENT LIMITED**
- 100% **MEGALODON CAPITAL SPC**
- 30% **MX GLOBAL SDN. BHD**

FINANCIAL HIGHLIGHTS

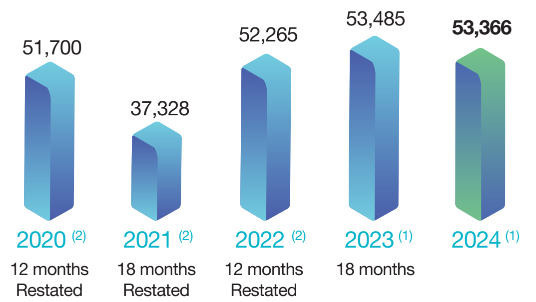
REVENUE
(RM'000)



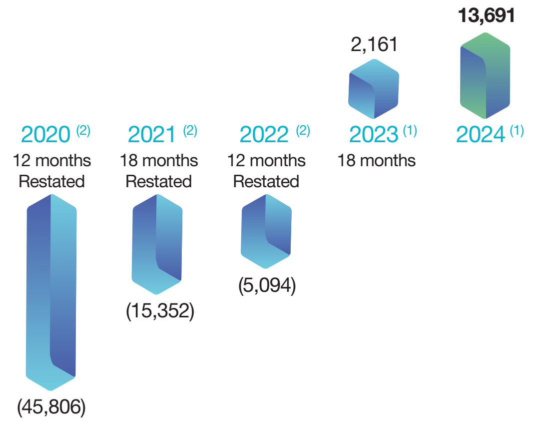
NET ASSETS PER SHARE
(RM)



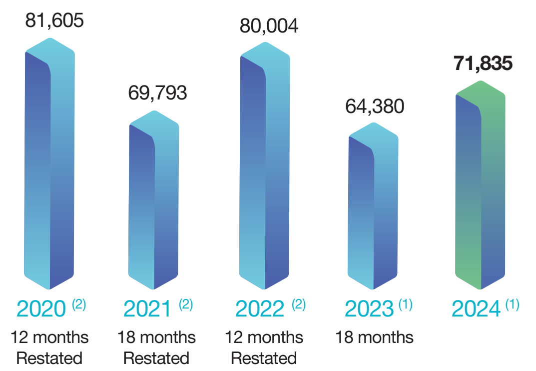
SHAREHOLDERS' EQUITY
(RM'000)



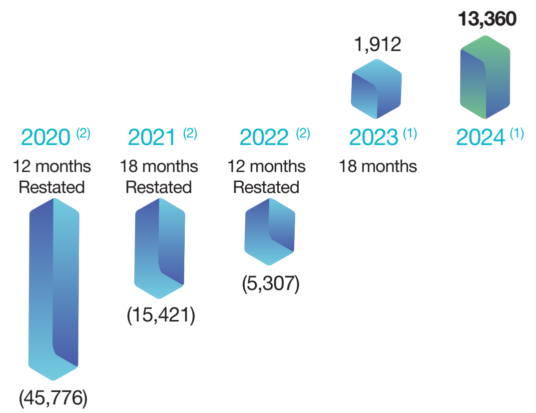
(LOSS)/PROFIT BEFORE TAXATION
(RM'000)



TOTAL ASSETS
(RM'000)



(LOSS)/PROFIT AFTER TAXATION
(RM'000)



Notes:
(1) Financial Year Ended 31 December
(2) Financial Year Ended 30 June

BOARD OF **DIRECTORS**

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2024

Dear Shareholders,

On behalf of the Board of Directors, I hereby present the Annual Report and Audited Financial Statements of the Group and the Company FYE 31 December 2024.

The following Management Discussion and Analysis ("**MD&A**") provides an analysis of the financial performance of Cuscapi Berhad ("**the Company**") and its subsidiaries ("**the Group**") for the financial year ended 31 December 2024 ("**FYE 31 December 2024**"). In addition, the MD&A contains commentary from the Management on the performance of the Group and of the Company to give investors and shareholders a better understanding of the business, operations and financial position for the FYE 31 December 2024. The MD&A should be read in conjunction with the Group's consolidated financial statements and notes.

1. Overview of Operations

Cuscapi Group is involved primarily in the provision of restaurant management solutions and offers a comprehensive range of integrated solutions for the industry, including but not limited to the point of sales solutions, outlet management solutions, information technology security solutions, IT consulting services and contact centre outsourcing services. Cuscapi Group also provides IT solutions to businesses across various industries, including retail, hospitality, and automotive.

Cuscapi established in Malaysia on 16 November 1978, has more than 40 years of combined in-depth industry experience and knowledge in implementing world-class solutions.

Currently, Cuscapi is based in Petaling Jaya, and we have several service centres nationwide and a strong presence with support infrastructure and customer care in regional countries.

1.1 Our operating segments are as follow: -

(a) Geographical locations

(i) Malaysia

Involves in software development, the provision of remedial services for point of sales and related software implementation and support services, the provision of point of sales and business management solutions, the provision of project management, business and IT related consultancy services, the provision of network infrastructure and security solutions and services and system integration services, across various industries, including retail, hospitality and automotive industries.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2024

1. Overview of Operations (continued)

1.1 Our operating segments are as follow: - (continued)

(a) Geographical locations

(ii) South-East Asia

Cuscapi provides the provision of point of sales and business management solutions, the provision of remedial services for point of sales hardware and related software implementation and support services, project management, and business and IT-related consultancy services in the South East Asia region other than Malaysia.

(b) Business units

(i) Sales of POS

This segment is involved in sale of software, hardware, maintenance services and other support services of point-of-sales to all the customers for the Group.

(ii) Operational Cost Centre

Provides support services to all the customers for the Group.

(iii) Group Corporate

This segment is involved in Group-level corporate services and treasury functions.

1.2 Our revenue is derived through our subsidiary companies of which the principal activities are summarised as below: -

	Subsidiaries	Date and place of incorporation	Principal activities
1.	Cuscapi Berhad	16 November 1978 Malaysia	Investment holding
2.	Cuscapi Consulting Services Sdn. Bhd.	20 September 1997 Malaysia	Provision of project management, business and IT-related consultancy services
3.	Cuscapi Malaysia Sdn. Bhd.	17 July 2000 Malaysia	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services
4.	Cuscapi Innovation Lab Sdn. Bhd.	11 April 2002 Malaysia	Software development
5.	Cuscapi International Sdn. Bhd.	20 February 2003 Malaysia	Investment holding
6.	Cuscapi Solutions Sdn. Bhd.	24 May 2003 Malaysia	Software development
7.	Cuscapi Interactive Solutions Sdn. Bhd.	3 September 2003 Malaysia	Provision of software development, interactive devices solutions, restaurant management and business management solutions
8.	Cuscapi International Pte. Ltd.	18 October 2007 Singapore	Investment holding
9.	Cuscapi Beijing Co. Ltd.*	18 October 2007 China	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business, and IT related consultancy services

1. Overview of Operations (continued)

1.2 Our revenue is derived through our subsidiary companies of which the principal activities are summarised as below: - (Continued)

	Subsidiaries	Date and place of incorporation	Principal activities
10.	Cuscapi Singapore Pte. Ltd.	12 January 2009 Singapore	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business, and IT related consultancy services
11.	Cuscapi Outsourcing Sdn. Bhd.	30 May 2008 Malaysia	Provision of a contract centre for outsourcing services
12.	Cuscapi Suzhou Co. Ltd.*	31 October 2008 China	Software development
13.	Cuscapi (Thailand) Co. Ltd.	12 March 2011 Thailand	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business, and IT related consultancy services
14.	PT Cuscapi Indonesia	11 March 2011 Indonesia	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services
15.	Cuscapi Shanghai Co. Ltd.*	1 August 2011 China	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business, and IT related consultancy services
16.	Cuscapi Hong Kong Ltd.	31 October 2011 Hong Kong	Investment holding
17.	Tills N Label System Marketing, Inc	3 November 2011 Philippines	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business, and IT related consultancy services
18.	Cuscapi Guangzhou Co. Ltd.	14 February 2012 China	Dormant
19.	Cuscapi Philippines, Inc.	16 May 2012 Philippines	Investment holding
20.	Cuscapi Interactive Technology (China) Pty. Ltd.	30 August 2013 Hong Kong	Investment holding
21.	Shanghai Cuscapi Interactive Network Technology Co. Ltd.*	23 December 2016 China	Software development, interactive devices solutions, restaurant management, business management solutions and other related services and products
22.	Cuscapi Blockchain Sdn. Bhd.	25 July 2018 Malaysia	To operate a cryptocurrency exchange in Philippines and other IT related business
23.	Litar Pasifika Sdn. Bhd.	15 August 2018 Malaysia	Investment holding
24.	Cuscapi (BD) Ltd	20 February 2019 Bangladesh	Dormant

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2024

1. Overview of Operations (continued)

1.2 Our revenue is derived through our subsidiary companies of which the principal activities are summarised as below: - (Continued)

	Subsidiaries	Date and place of incorporation	Principal activities
25.	Cuscapi Vietnam Company Limited	28 January 2011 Vietnam	Computer programming, information technology service and other services related to the computer, data processing, leasing and other related activities
26.	Megalodon Capital Management Limited	8 December 2022 British Virgin Island	Dormant
27.	Megalodon Capital SPC	4 January 2023 Cayman Island	Dormant

* The business operation of the subsidiary has ceased since previous financial years.

2. Share Performance

The following table sets out the summary of share performance for the FYE 31 December 2024:-

Date	Open	High	Low	Close	Volume
Jan-24	0.165	0.170	0.160	0.170	406,000
Feb-24	0.170	0.170	0.165	0.170	683,200
Mar-24	0.185	0.185	0.175	0.175	3,139,600
Apr-24	0.260	0.260	0.250	0.255	1,723,100
May-24	0.295	0.295	0.270	0.285	3,582,600
Jun-24	0.270	0.275	0.260	0.265	12,936,600
Jul-24	0.240	0.240	0.225	0.235	2,558,100
Aug-24	0.270	0.275	0.255	0.265	5,152,100
Sep-24	0.250	0.255	0.235	0.235	2,042,700
Oct-24	0.200	0.200	0.185	0.185	2,957,600
Nov-24	0.195	0.195	0.185	0.185	2,640,600
Dec-24	0.235	0.240	0.230	0.230	6,101,200

As of 31 December 2024, Cuscapi market capitalisation at RM217.32 million in the number of shares issued at 944,884,476.

3. Financial Performance and Position

For the financial year ended 31 December 2024, the Group registered revenue of approximately RM 43.6 mil and pre-tax profit of RM 13.7 mil. Higher revenue during the financial year is mainly from the software sales.

3.1 Revenue by Region

The breakdown of our revenue by countries is set out below: -

	Audited	
Country	FYE 31 December 2024 RM	FPE 31 December 2023 [1] RM
Malaysia	41,782,123	23,319,542
Other than Malaysia	1,829,648	5,066,470
Total	**43,611,771**	**28,386,012**

Notes: -
(1) Cuscapi had on 9 June 2023 changed its financial year-end from 30 June to 31 December. The FPE 31 December 2023 was made up of results for 18 months covering the period from 1 July 2022 to 31 December 2023.

3. Financial Performance and Position (continued)

3.2 Revenue by Products

The breakdown of our revenue by products is set out below: -

Product	Audited			
	FYE 31 December 2024		FPE 31 December 2023 [1]	
	RM	%	RM	%
Transight & C360	41,195,815	94%	14,128,341	50%
EDMS	2,415,956	6%	2,499,943	9%
Others	-	-	11,757,728	41%
Total	**43,611,771**	**100%**	**28,386,012**	**100%**

Notes: -

[1] Cuscapi had on 9 June 2023 changed its financial year-end from 30 June to 31 December. The FPE 31 December 2023 was made up of results for 18 months covering the period from 1 July 2022 to 31 December 2023.

3. Profit/(Loss) Before Taxation

3.3 Profit/(Loss) Before Taxation by Region

The breakdown of profit/(loss)before taxation by countries are set out below: -

Country	Audited	
	FYE 31 December 2024 RM	FPE 31 December 2023 [1] RM
Malaysia	16,210,156	4,107,672
Other than Malaysia	(2,519,408)	(1,946,753)
Total	**13,690,748**	**2,160,919**

Notes: -

[1] Cuscapi had on 9 June 2023 changed its financial year-end from 30 June to 31 December. The FPE 31 December 2023 was made up of results for 18 months covering the period from 1 July 2022 to 31 December 2023.

3.4 Assets, Liabilities and Liquidity

i) The Group’s cash and bank during the FYE 31 December 2024 increased by 410% mainly due to the collection from trade receivables.
ii) Trade and other receivable decreased by 62% mainly due to collection from trade receivables.
iii) Trade and other payables increased by 54%, mainly due to additions of intangible assets during the FYE 31 December 2024.
iv) There is no material changes in the Group's inventories during the FYE 31 December 2024.

4. Anticipated of Known Risk Affecting Group's Results, Operations and Financial Condition

Our Group's financial condition and results of operations have been, and will continue to be affected by, amongst others, the following key factors: -

i) Our Group's ability to stay competitive vis-à-vis our competitors by providing good quality services;

ii) Our Group's ability in developing and implementing marketing strategies, expansion of our service offerings and solutions to suit customers' needs, and to keep abreast with new restaurant management technologies;

iii) Our Group's ability to develop good working relationships with our customers, suppliers as well as staff, and implement incentive-driven plans to improve the efficiency of our staff.

iv) The developments in the political and economic conditions in Malaysia and globally which may materially and adversely affect the business, operations and financial performance of our Group;

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2024

4. Anticipated of Known Risk Affecting Group's Results, Operations and Financial Condition (continued)

Our Group's financial condition and results of operations have been, and will continue to be affected by, amongst others, the following key factors: - (Continued)

v) Our dependence on the abilities and continued performance of our Directors, key management and key technical personnel for our Group's success as any loss of these key personnel could materially affect our Group;

vi) Foreign exchange fluctuations and translation losses may result in our Group incurring foreign exchange losses or gains due to the fluctuations in the exchange rates; and

vii) Legal and regulatory changes in the countries we operate, which may adversely affect our business costs and sustainability.

4.1 Impact of foreign exchange rates/ interest rates/ commodity prices on operating profits

i) Impact from foreign currency exchange rates

Our Group is exposed to foreign currency risks as our sales and purchases are partly denominated in foreign currencies, namely in USD, SGD, THB, IDR, PHP, VND, HKD, BDT and RMB. As such, any appreciation or depreciation of USD, SGD, THB, IDR, PHP, VND, HKD, BDT and RMB against RM will result in us incurring foreign exchange gains or losses.

ii) Impact from commodity prices

The FYE 31 December 2024, our Group's financial performance was not affected by commodity prices.

4.2 Impact of inflation

Our Group's financial performance during the FYE 31 December 2024 was not significantly affected by inflation.

4.3 Government / Economic / Fiscal or monetary policies

The financial performance of our Group had not been materially affected by any government, economic, fiscal or monetary policies or factors for the FYE 31 December 2024.

5. Prospects

The Board of Directors remains confident in Cuscapi Berhad's long-term growth trajectory, building on the solid momentum from the financial year ended 2024 ("**FYE 2024**"). The Group recorded a robust revenue of RM43.6 million and a pre-tax profit of RM13.7 million, underpinned by continued strong demand for its flagship solutions—Transight and C360 Engage—as well as significant operational improvements and a remarkable 410% increase in cash reserves. These results reaffirm the strength of our business fundamentals and the effectiveness of our strategic direction.

Cuscapi remains well-capitalised and strongly positioned to seize new market opportunities. While we continue to fortify our leadership in the F&B sector, we are actively diversifying our portfolio with the introduction of advanced retail point-of-sale ("**POS**") systems. These solutions are designed to help customers enhance operational efficiency and deepen customer engagement, enabling us to tap into a broader retail ecosystem.

At the heart of our innovation agenda is a commitment to solving real-world challenges faced by our clients. We are accelerating the integration of AI, IoT, and automation into our platforms—creating intelligent, cost-efficient solutions tailored to evolving industry needs. Our GENPACX automotive solution exemplifies this approach, delivering scalable, future-ready tools that align seamlessly with customers' existing operations.

In line with our strategic expansion, Cuscapi's investment in April 2024 in MX Global Sdn Bhd—an established digital asset exchange in Malaysia—marks our deliberate foray into the fast-growing fintech sector. This positions the Group to participate in the digital finance revolution and leverage opportunities in blockchain-based financial services.

Backed by strong financial health, a proven track record, and alignment with national digital economy initiatives, Cuscapi is well-placed to navigate market uncertainties while continuing to deliver sustainable growth. The Group remains firmly focused on creating long-term value for shareholders and customers across its core verticals—retail, F&B, automotive, and digital finance.

DIRECTORS' PROFILES

Datuk Jayakumar A/L Panneer Selvam
Executive Chairman

Malaysian

Male

Aged 58

Datuk Jayakumar A/L Panneer Selvam was appointed to the Board as Alternate Director on 4 April 2018. Subsequently, he was re-designated to the position of Executive Chairman on 4 June 2018.

Datuk Jayakumar holds a Diploma in Computer Science and commenced his professional journey with Kumpulan Wang Simpanan Pekerja in 1989, followed by a tenure at Arab Malaysia Finance Bank from 1990 to 1992. His career in IT initiated at PDX Technologi Sdn. Bhd. in 1992, where he served as the Major Accounts Executive. Subsequently, he ascended to the role of Executive Director of PDX. Com Sdn. Bhd. in 2004, playing a pivotal role in the company's initiatives. He secured the MSC Electronic Government Flagship Application (eServices Project) and was appointed as the official Gateway Provider of the Government in 2000. In 2009, he was appointed as a Chief Executive Officer/Executive Director of PDX.com Sdn. Bhd. His extensive experience in the IT industry has empowered him to explore investments in IT-related companies.

In 2009, Datuk Jayakumar assumed the role of Managing Director at MYEG Integrated Networks Sdn. Bhd. (MINT), where he played a crucial role in shaping the development and operation strategies of the company. His expertise extends to the creation of a suite of Electronic Cash Register (ECR) solutions in collaboration with Point of Sales solution vendors. These suite encompasses a wide range of tools, such as comprehensive online Goods and Services Tax ("GST") accounting tools, tax declaration systems and Electronic Information Systems (EIS).

Except for his directorship in Cuscapi Berhad, Datuk Jayakumar does not hold directorship in any other public companies or public listed companies.

He has no conflict of interest or potential conflict of interest with the Company and the subsidiaries, and there was no record of any convictions for offence within the past five (5) years, aside from possible traffic offences. Furthermore, Datuk Jayakumar does not have any family relationship with any other Director and/or any major shareholder of the Company.

There was no sanction or penalty imposed on him by relevant regulatory bodies.

DIRECTORS' PROFILES

Dato' Sri Khazali Bin Haji Ahmad

Executive Director

Malaysian

Male

Aged 69

Dato' Sri Khazali Bin Haji Ahmad was appointed to the Board on 9 July 2019. He possesses a Master's Degree in Economics from the University of Central Oklahoma, USA and a Bachelor's Degree in Agricultural Economics from Universiti Kebangsaan Malaysia. He was granted Excellence Service Awards in 2003 and 2006 by the Ministry of Finance and was recognised as Asia Tax Commissioner of the Year in 2015 for his leadership of the Royal Malaysian Customs.

Dato' Sri Khazali had a distinguished career in the Malaysian Civil Service, reaching the pinnacle as the Director-General of Customs from 2012 until his retirement in 2017. Prior to this role, he held diverse positions, such as Federal Secretary of the State of Sabah and as Special Functions Officer to the Chief Secretary to the Government in the Prime Minister's Department. Presently, Dato' Sri Khazali served as a Director on the boards of Shangri-La Hotels (Malaysia) Berhad, Favelle Favco Berhad and Muhibbah Engineering (M) Berhad.

He has no conflict of interest or potential conflict of interest with the Company and the subsidiaries, and there was no records of any convictions for offences within the past five (5) years, aside from possible traffic offences. Furthermore, he does not have any family relationship with any other Director and/or any major shareholder of the Company.

There was no sanction or penalty imposed on him by relevant regulatory bodies.

DIRECTORS' PROFILES

Dato' Sheah Kok Fah
Independent Non-Executive Director

Malaysian

Male

Aged 60

Dato' Sheah Kok Fah was appointed as the Independent Non-Executive Director on 12 April 2018. He held a Degree in LLB (Hons) from the University of Malaya and was admitted to the Bar in 1989. He is the member of both the Audit and Risk Management Committee and Nomination and Remuneration Committee.

Dato' Sheah boasts an exceptional career, excelling as both an advocate and solicitor and corporate practitioner with over 30 years in legal practice since 1988. He has held the position of partner of Messrs Sheah, Tan and Rahman since 1996.

Apart from his directorship in Cuscapi Berhad, Dato' Sheah does not hold directorship in any other public companies or public listed companies.

He does not have any conflict of interest or potential conflict of interest with the Company and subsidiaries, and there was no records of any convictions for offences within the past five (5) years, aside from possible traffic offences. Furthermore, he does not have any family relationship with any other Director and/or any major shareholder of the Company.

There was no sanction or penalty imposed on him by relevant regulatory bodies.

DIRECTORS' PROFILES

Datuk Mat Noor Bin Nawi

Independent Non-Executive Director

Malaysian

Male

Aged 69

Datuk Mat Noor Bin Nawi was appointed to the Board of the Company on 24 May 2018. He is also the Chairman of the Audit and Risk Management Committee.

Datuk Mat Noor holds a Master of Science (Policy Economics) from the University of Illinois at Urbana-Champaign, USA and a Bachelor of Science (Resource Economics) from the Universiti Putra Malaysia.

Datuk Mat Noor dedicated over 30 years of service to the Government of Malaysia. His career commenced in the Malaysian civil service in 1981 as an Agriculture Economist at the Federal Agriculture Marketing Authority (FAMA). In 1983, he transitioned to the Economic Planning Unit (EPU) at the Prime Ministers Department, where he continued to contribute in various roles. His tenure with EPU culminated in the position of Deputy Director-General, EPU and subsequently he joined the Ministry of Finance (MOF) in October 2011.

He served as the Deputy Secretary-General, Treasury (Investment) at the MOF and later assumed the role of Deputy Secretary-General, Treasury (Policy) from 16 November 2012. His tenure in the Malaysian civil service concluded with his retirement on 6 June 2015.

Currently, he holds positions on the boards of MX Global Sdn Bhd, Asiapac Oil & Gas Sdn Bhd, Megah Perkasa Security Services and Excel Force MSC Berhad.

He does not have any conflict of interest or potential conflict of interest with the Company and subsidiaries, and there was no records of any convictions for offences within the past five (5) years, aside from possible traffic offences. Furthermore, he does not have any family relationship with any other Director and/or any major shareholder of the Company.

There was no sanction or penalty imposed on him by relevant regulatory bodies.

DIRECTORS' PROFILES

Puan Mohaini Binti Mohd Yusof

Independent Non-Executive Director

Malaysian

Female

Aged 58

Puan Mohaini Binti Mohd Yusof was appointed to the Board of the Company on 3 September 2018. She is the Chairperson of the Nomination and Remuneration Committee and also a member of the Audit and Risk Management Committee.

Puan Mohaini earned her degree in Mass Communications from University of Technology MARA in 1989. Her professional journey commenced as an Executive at the The Lion Group from 1989 to 1990. Subsequently, she advanced her career by serving as a Manager at Malaysian Resources Corporation Berhad ("MRCB") in 1996. Over time, she assumed the role of General Manager, Head of Corporate Communications at MRCB from 2006 onwards.

With over 30 years of experience, Puan Mohaini was well-versed in strategic communications, branding, event management, crisis management, media relations, advertising, publications, CSR/Foundation, Government relations, corporate sponsorship, awards submissions, and social media management. Notably, she also created several brands for both MRCB Group and Media Prima Berhad. In addition, Puan Mohaini has actively participated in initiatives with Yayasan MRCB, PINTAR Foundation and GLC Disaster Response Network (GDRN).

At present, she is the Independent Non-Executive Director at MY E.G. Services Berhad.

She does not have any conflict of interest or potential conflict of interest with the Company and subsidiaries, and there was no records of any convictions for offences within the past five (5) years, aside from possible traffic offences. Furthermore, she does not have any family relationship with any other Director and/or any major shareholder of the Company.

There was no sanction or penalty imposed on her by relevant regulatory bodies.

KEY SENIOR MANAGEMENT'S PROFILE

FANG KOK HONG, PETER
Chief Executive Officer
Aged 48, Male, Malaysian

Mr. Peter graduated with a Bachelor of Engineering (First Class Honors) from the University of Melbourne, Australia in 1998. He was certified as a Project Management Professional (PMP) from the Project Management Institute (PMI) in 2007.

Peter was appointed as Chief Executive Officer of Cuscapi Berhad on 1 June 2022. He has more than 20 years of management and IT experience specializing in Business Strategy, Management Consulting, Project Delivery, Product Development, R&D, Enterprise Architecture and IT Operations.

Peter started his career in 1999 as an Analyst with Accenture Solutions Sdn Bhd (Accenture Malaysia), a management and technology consulting company, where he was involved in projects in Malaysia and Singapore. He was promoted to Consulting Manager in 2004 and left Accenture Malaysia in 2005.

In 2005, Peter joined interTouch Malaysia Sdn Bhd as Systems Development Director, where he was responsible for the design and delivery of products and solutions for the hospitality industry. interTouch was subsequently rebranded as DOCOMO interTouch. DOCOMO interTouch is a global telecommunications service provider primarily serving the hospitality broadband industry worldwide. He left in 2008.

In 2008, Peter joined UltioTech as Director of Software Services where he was responsible for managing the software development and research and development functions of the company. In 2010, he became the Vice President of Software Services and was subsequently promoted to Chief Technology Officer in 2012. In 2016, Peter was appointed as Chief Operating Officer and subsequently as Chief Executive Officer in 2018.

ENG SZI LOK, YULISE
Financial Controller
Age 28, Female, Malaysian

Ms. Yulise graduated from the Institute of Chartered Accountants in England and Wales ("ICAEW") at Sunway University, Malaysia, in 2020. She is a member of the ICAEW Chartered Accountant ("CA"), ICAEW Business and Finance Professional ("BFP"), as well as a member of the Malaysian Institute of Accountants ("MIA").

Her career commenced at Deloitte PLT, where she served as a Transfer Pricing trainee in 2015 before advancing to the role of External Auditor in 2016. During her tenure at Deloitte, she gained experience in auditing diverse sectors, including Manufacturing, Plantation, Agriculture, FMCG, Retail, and Consumer Products. Additionally, she was seconded to Deloitte Audit and Assurance Advisory, where she played a key role in delivering training on MFRS 15 and MFRS 16 to Fortune 500 multinational corporations in the oil and gas industry. She also contributed to public seminars focused on the latest IFRS developments.

In 2021, she joined Smart Glove Corporation as an Accountant, focusing on IPO matters and the pre-listing process.

In November 2021, she joined Cuscapi Berhad as an Accountant and was promoted to Finance Manager in March 2022. In April 2024, she was promoted to Financial Controller, overseeing and handling Group finance and corporate matters.

Currently, she is the Independent Non-Executive Director of MYTECH Group Berhad.

KEY SENIOR MANAGEMENT'S PROFILE

MOHD RASHIDI OTHMAN
Regional Operations Manager
Age 46, Male, Malaysian

Mr Mohd Rashidi joined Cuscapi on 3rd Feb 2014. His role was to lay the groundwork, provide technical consultation, prepare and present solutions proposal for the sales team to be successful. Analyse the market, run focus groups and craft pitches for Sales Consultants to use in the field. He manages projects, support and deployment teams for F&B business. In year 2022, he was promoted as Regional Operations Manager.

He hold a Diploma in Computer Science from Nilai International College with more than 23 year working experience as Technical Support, Presales Consultant, Support Manager and Regional Operations Manager in F&B industry.

Before joining Cuscapi he was managing technical support for F&B market players.

JASON HOO KIM THOE
General Manager of Sales and Marketing
Age 44, Male, Malaysian

Mr Jason Hoo graduated with a Degree in Microbiology from University Sains Malaysia in 2004.

He began his career in 2005 as a Sales Executive at Bayer Healthcare Sdn Bhd and advancing his career at MCSB System (M) Berhad as Account Development Manager in 2012.

In 2015, he joined Cuscapi as an Account Manager, managing key customer accounts. After a brief departure in early 2018 for personal reasons, he rejoined the company in August 2018 as Senior Sales Manager, Head of Sales for Malaysia, leading Malaysia business unit. His leadership and expertise led to his promotion as General Manager of Sales & Marketing, handling the regional sales and marketing team till the present.

RISMA EMELIA MOHD ISA
Assistant Human Resources Manager
Age 48, Female, Malaysian

Mrs. Risma Emelia Mohd Isa obtained a Diploma in Hotel Management from the MARA Institute of Technology in Terengganu before she graduated from MARA University of Technology in Shah Alam with a BBA (H) in Human Resources Management.

Prior to joining Cuscapi, she was attached to a few large and medium corporations, including construction, manufacturing and retail and has more than 20 years of experience in various areas of HR, recruitment and corporate affairs matters. She started her career at Scicom (MSC) Bhd. as a Customer Service Executive, after that she joined DRB-Hicom Berhad in the special projects department as a Secretary. Subsequently, she worked for a few companies which include Times Publishing Group, Gardenia Bakeries (KL), and Panasonic LCD (M) Sdn. Bhd and A.T.E.S Sdn. Bhd. to handle HR matters such as recruitment, payroll management, training and development and corporate affairs before she joined Cuscapi on January 2020 as senior Human Resources Executive and she was promoted to Assistant Human Resource Manager to oversee Group Human Resource operations on September 2022

Other information in respect of all the Key Senior Management :-

1. None of the Key Senior Management have any conflict of interest or potential conflict of interest with the Company or its subsidiaries.

2. None of the Key Senior Management has been convicted any offences, aside from possible traffic offences.

3. None of the Key Senior Management has family relationship with the Directors or any major shareholders of the Company.

4. Save as disclosed above, none of the Key Senior Management has any directorship in public companies or public listed companies.

SUSTAINABILITY STATEMENT

Information Technology ("IT") is an essential driver of change with the power to guide industries toward delivering more sustainable products and services. At Cuscapi Berhad ("the Company" or "Cuscapi"), we are dedicated to creating shared value by providing innovative, sustainable solutions that help businesses thrive. Through the use of cutting-edge technologies, we enable our clients to optimise their operations while contributing to a more sustainable future.

ABOUT THIS STATEMENT

This statement provides an update to the Company's stakeholders on the sustainable strategies and practices we have implemented as part of our effort to integrate sustainability into the business operations and track our progress.

Scope and Boundary

This statement provides an overview of the activities of our wholly owned subsidiaries in Malaysia, over which the Company exercises direct control. This includes:

Cuscapi Malaysia Sdn Bhd
Cuscapi Solutions Sdn Bhd
Cuscapi Outsourcing Sdn Bhd
Cuscapi International Sdn Bhd
Litar Pasifika Sdn Bhd
Cuscapi Innovation Lab Sdn Bhd
Cuscapi Consulting Services Sdn Bhd
Cuscapi Interactive Solutions Sdn Bhd
Cuscapi Blockchain Sdn Bhd

Reporting Period and Cycle

This statement coincides with our financial year ended 31 December 2024 ("FYE 2024"). Our Sustainability Statements are produced annually with historical data appended at the appropriate junctures to offer readers a basis for comparison.

Reporting Guidelines

- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- Malaysian Code on Corporate Governance 2021

Looking ahead, we are aligning our reporting with the National Sustainability Reporting Framework ("NSRF"), which is consistent with the International Financial Reporting Standards ("IFRS"), International Sustainability Standards Board ("ISSB") S1 and S2, Sustainability Accounting Standards Board ("SASB").

Assurance Statement

The data has been internally reviewed by senior management and the respective data custodians, and has received Board approval.

Feedback and Inquiries

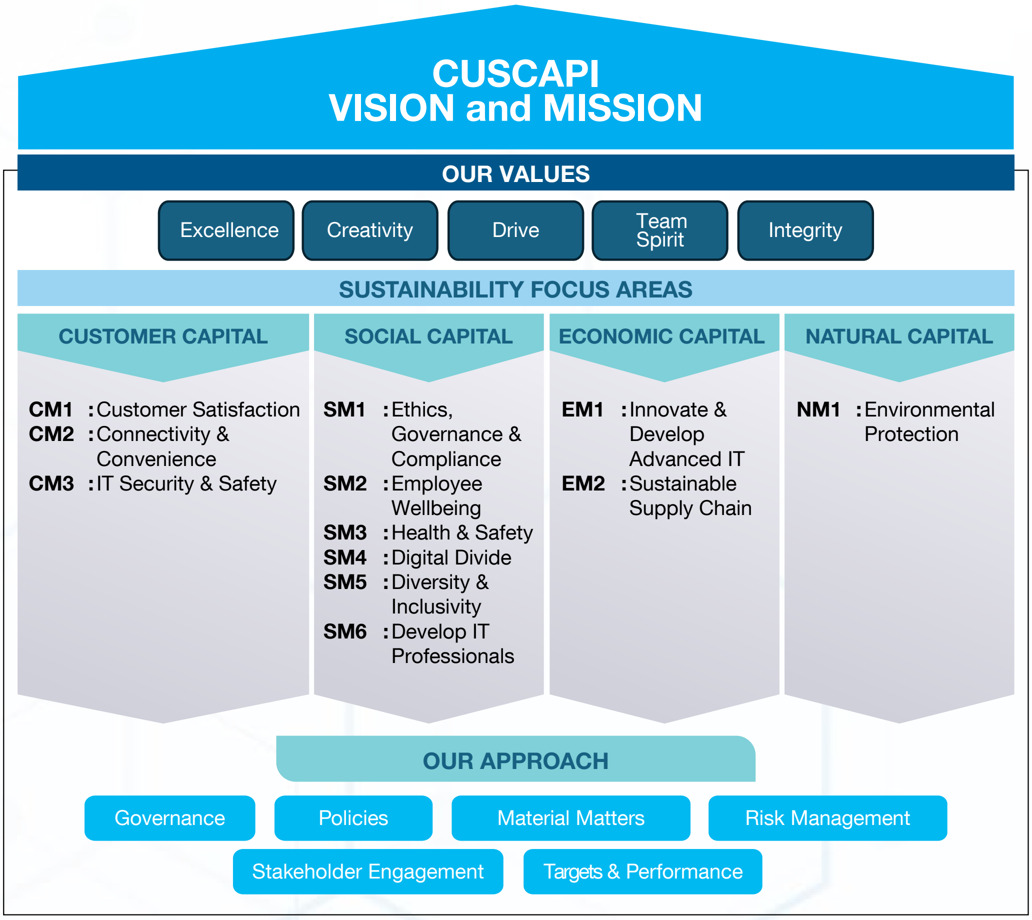
We welcome your feedback. Please write to us at information@cuscapi.com.

SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY FRAMEWORK

Our Sustainability Framework encapsulates our approach to sustainability, outlining our Vision, Mission, corporate values, sustainability focus areas, as well as material matters. It also details our approach to addressing these matters whilst staying aligned with the United Nations Sustainable Development Goals ("SDGs"), enabling Cuscapi to drive society's progress toward a more equitable future.



SDGs OUTCOMES

Goal 3: Ensure healthy lives and promote wellbeing for all at all ages.
We educate our employees on key health and safety issues while also raising awareness about health and wellness at the workplace.

Goal 5: Achieve gender equality and empower all women and girls.
We make all employment decisions based on the qualifications required for the role, ensuring fairness and equality. Our hiring process is free from discrimination based on race, colour, gender, age, national origin, ancestry, religion, pregnancy, marital status, or veteran status.

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
We develop and innovate advanced IT solutions, such as digital payment and QR ordering platforms that enable consumers to easily access information. Our business is centred on supporting various industries' infrastructure in innovating using advanced IT solutions.

Goal 13: Take urgent action to combat climate change and its impacts.
We minimise the environmental impact of our operations and provide our clients with services that help them to be environmentally responsible and sustainable.

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
We are committed to maintaining robust governance as well as ethical and accountable practices to guide our operations and ensure integrity in all aspects of our business.

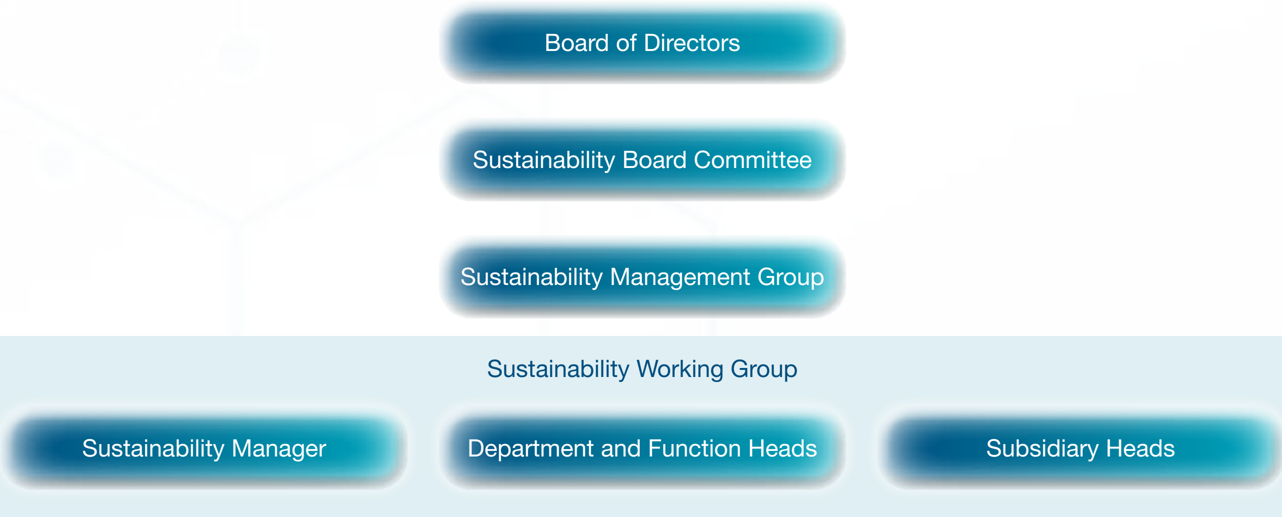
Goal 17: Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.
We have empowered the digital transformation of over 1,000 enterprises through the MSME Digital Grant MADANI. This initiative facilitates the adoption of e-invoicing among MSMEs, aligning with Malaysia’s tax reform efforts and the objectives of the Twelfth Malaysia Plan.

SUSTAINABILITY STATEMENT

CUSCAPI SUSTAINABILITY GOVERNANCE

Cuscapi has established a robust sustainability governance structure to ensure the effective implementation of our sustainability strategies across the business. This structure clearly defines roles, accountability, and responsibility at every level of the Group, enabling seamless coordination and driving our commitment to sustainability throughout the organisation.

The functions of the various components of our sustainability governance structure are as follows:



Board of Directors

Mainly in charge of supervising the organisation's sustainability direction.

- Prioritises our Group's sustainability agenda.
- Ensures that sustainability is integrated into our business strategy.
- Approves and reviews our sustainability targets and performance.
- Keeps informed of all sustainability issues relevant to our Group, particularly risks and opportunities, to support long-term strategy and success.

Sustainability Board Committee ("SBC")

Audit and Risk Management Committee

- Approves and monitors our sustainability strategies, targets and performance, policies, materiality assessment process and outcomes, as well as our Sustainability Statement.
- Ensures the integration of sustainability and climate-related risks and opportunities within our Group's Risk Management.
- Oversees the assurance activities of our sustainability reporting processes.
- Scrutinises the links between our material sustainability matters and financial performance.

Nomination and Remuneration Committee

- Reviews the Board and senior management's performance against agreed-upon sustainability-linked KPIs.

Sustainability Management Group ("SMG")

Drives the strategic management of material sustainability matters under the leadership of the Chief Executive Officer with the assistance of the Key Management Team. Responsible for aligning our Group's sustainability strategies with long-term business growth and goals.

- Sets sustainability targets and monitors progress.
- Addresses sustainability matters using strategies approved by the Board.
- Appraises and evaluates our Group's sustainability performance.
- Identifies issues that may require intervention.
- Reports and makes recommendations to the SBC.

Sustainability Working Group ("SWG")

Led by the Sustainability Manager, the team includes representatives from department heads, functional leaders, and subsidiary heads. The Sustainability Manager coordinates and works closely with the SMG and SWG.

- Supports strategic decisions and is in charge of developing, implementing, monitoring and improving sustainability initiatives.
- Makes sure that sustainability is integrated into every aspect of the organisation.
- Reviews the progress of sustainability measures against targets.
- Reports their findings to the SMG.

STAKEHOLDER ENGAGEMENT

A key component of our sustainability strategy is the engagement we maintain with our stakeholders. By actively listening to their needs and concerns, we gain valuable insights that not only help Cuscapi to mitigate risks, but also ensure that our decisions are well-rounded, aligned with societal demands, and reflect a broader range of perspectives. All of these are crucial determinants for continued success, especially in industries as fast-moving as IT.

The following table describes our stakeholders' concerns and the means we employ to address those concerns with them throughout the year.

STAKEHOLDERS	CONCERNS	OUR ENGAGEMENT OPPORTUNITIES
CUSTOMERS	• Downtime • Hardware and software quality • New solutions • Customer support • Product reliability	• Operational training to enhance user competency • Downtime reduction measures for improved efficiency • Reliable connectivity to support seamless operations • Regular equipment maintenance for optimal performance • Continuous quality monitoring and assurance • On-site and off-site technical support • Dedicated customer hotline for prompt assistance • Development and deployment of advanced IT solutions • Solution discussions and live demonstrations • Timely response and support for new system adoption • Customer feedback surveys to drive improvements

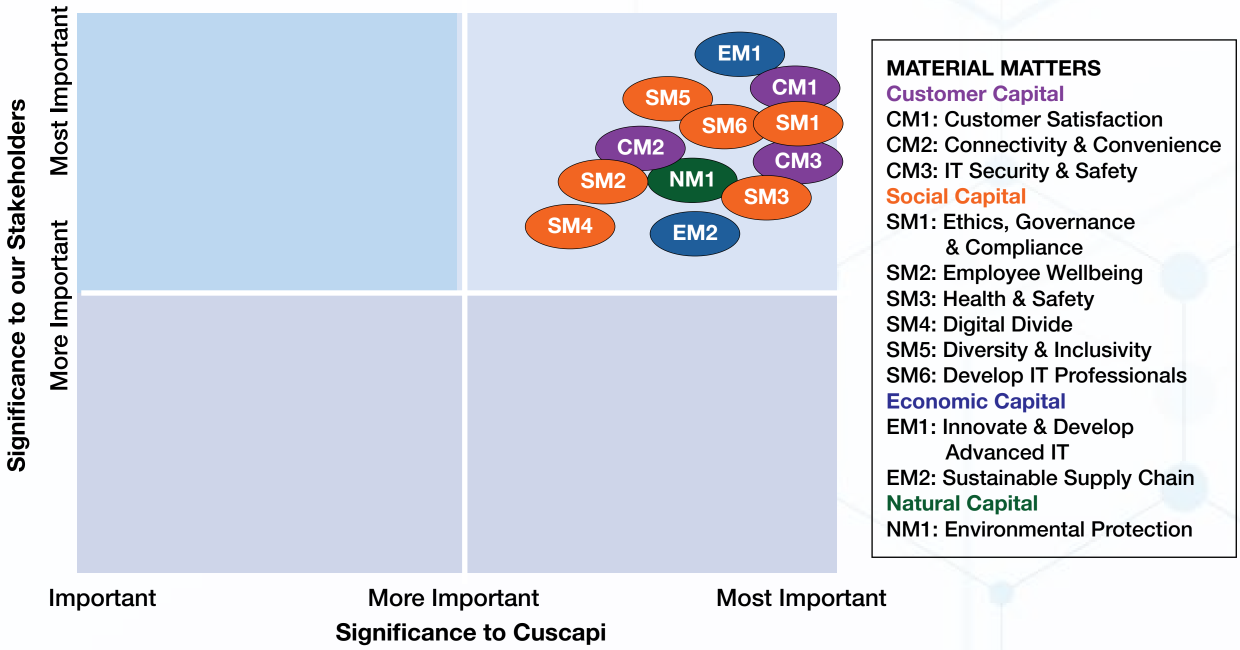
STAKEHOLDERS	CONCERNS	OUR ENGAGEMENT OPPORTUNITIES
EMPLOYEES	• Working environment • Health and safety • Training and career development • Compensation and benefits • Resources and budget constraints	• Flexible and remote working arrangements • Regular townhall meetings for open communication • Employee satisfaction surveys to gather feedback • Health and safety measures, including COVID-19 prevention protocols • Bonus and share option schemes to reward performance • Structured performance reviews and feedback sessions • Access to training courses and continuous learning opportunities • Initiatives to promote gender balance and diversity • Transparent and clear budget planning • Prioritisation of essential equipment and software for productivity
GOVERNMENT/ REGULATORY AUTHORITIES	• Compliance and standards • National agenda • Artificial Intelligence ("AI") regulations	• Regulatory compliance to uphold legal and industry standards • Commitment to FinTech innovation for enhanced service delivery • Human capital development through training and upskilling programmes • IT infrastructure enhancement to support digital growth • Digitalisation initiatives to streamline business processes • Ethical AI adoption guided by transparent and responsible practices
SHAREHOLDERS/ INVESTORS	• Quality and transparent information • Financial performance • Market position and growth potential	• Annual General Meetings to ensure transparency and shareholder participation • Timely and accurate disclosure of financial reports via company website • Strategic expansion into new markets and customer segments for sustained growth
SUPPLIERS	• Pricing • Transparency • Quality control and standards • Demand forecasting and order volume	• Fair terms and conditions to build trust and long-term partnerships • Transparent purchasing practices to ensure accountability and integrity • Product and pricing comparisons to support informed decision-making • Clear communication of quality standards and specifications • Accurate demand forecasts and collaborative inventory management for supply chain efficiency
COMMUNITY	• Welfare • Digital divide • Economic impact on local businesses	• Commitment to social responsibility through community-focused initiatives • Introduction of SME digitalisation to empower local businesses • Supporting local economies by partnering with small businesses for mutual growth

MATERIAL MATTERS

A materiality assessment enables us to identify and prioritise the most significant sustainability matters that impact Cuscapi and our stakeholders. This is a critical aspect of our sustainability journey, as it helps us to focus our limited resources on the matters that have the greatest potential to influence our long-term value creation, risk management, and sustainability performance. By engaging with our key stakeholders, we gain a comprehensive understanding of what matters most to them, as well as the risks and opportunities that may arise. The results of this exercise then guide our decision-making, ensuring that our sustainability strategies and initiatives align with both internal objectives and external expectations.

During the year, we performed a materiality review and determined that all previously identified material matters continue to be consistent with our operations.

Materiality Matrix



The materiality matrix is an illustration in which we plot our sustainability matters according to their significance to us and our stakeholders. The matters in the upper-right section of the matrix are deemed the most significant by both parties. The top three material matters are EM1: Innovate & Develop Advanced IT, CM1: Customer Satisfaction, and SM1: Ethics, Governance & Compliance, all of which are closely tied to the core of our business.

The material matter positioned closest to the lower-left section of the matrix is SM4: Digital Divide. While this matter appears lowest in priority, we continue to allocate considerable resources to addressing the disparity in access to digital solutions. We include more details of our efforts later in this statement.

SUSTAINABILITY RISKS AND OPPORTUNITIES

Sustainability risk management is the process of identifying, assessing, and mitigating risks that may arise from sustainability factors that could impact our long-term viability. These risks can range from regulatory changes and supply chain disruptions to reputational damage and shifting consumer expectations.

By proactively managing our sustainability risks and opportunities, the Company can minimise negative impacts and seize opportunities for innovation and growth. This involves integrating sustainability considerations into our risk management framework, ensuring that our decision-making processes reflect both our short-term and long-term sustainability objectives.

The table below highlights our material matters, related risks, and the opportunities we capitalise on to create long-term value and support a sustainable future.

Material Matters	Risks	Opportunities
CUSTOMER CAPITAL		
CM1: Customer Satisfaction	o Customer dissatisfaction due to inconsistent product or service quality o Market share loss to competitors offering superior value or innovation	o Enhance customer service standards through training, technology integration, and feedback loops to improve customer satisfaction and retention
CM2: Connectivity & Convenience	o Customer frustration, mistrust and disengagement resulting from non-intuitive or inaccessible solutions	o Leverage customer feedback to identify pain points and improve the user experience o Incorporate accessibility features to ensure the product or service is usable by individuals with varying abilities
CM3: IT Security & Safety	o Data breaches and loss of trust due to ineffective data protection and cybersecurity measures o System downtime and operational disruptions due to unaddressed system vulnerabilities	o Outsource IT security to experienced professionals to ensure expert management and minimise risks o Implement enterprise-grade security tools for robust protection against potential cyber threats and vulnerabilities
SOCIAL CAPITAL		
SM1: Ethics, Governance & Compliance	o Non-compliance with regulatory and ethical standards, potentially leading to legal consequences and operational disruptions o Inadequate legal compliance and lack of transparency, which may result in increased regulatory scrutiny, reputational damage, and diminished investor confidence	o Regularly review and update company policies and procedures to ensure alignment with current regulatory and ethical standards o Foster a strong compliance culture by promoting transparency, open communication, and accountability across all levels of the organisation
SM2: Employee Wellbeing and SM3: Health & Safety	o Occupational hazards and suboptimal working conditions may compromise employee safety o Workplace accidents and injuries can result in reduced productivity, legal liabilities, reputational damage, and adverse impacts on employee wellbeing	o Implement flexible work arrangements to support work-life balance and increase employee satisfaction o Conduct regular townhall meetings to enhance transparency and open communication o Run periodic employee satisfaction surveys to gather feedback and identify areas for improvement o Reduce workplace hazards through continuous risk assessments and mitigation measures o Foster a strong safety culture and positive work environment to enhance employee wellbeing, boost productivity, and uphold the Company's reputation

Material Matters	Risks	Opportunities
SOCIAL CAPITAL		
SM5: Diversity & Inclusivity	o Discriminatory work practices that undermine morale, trust, and organisational integrity o Limited innovation and problem-solving resulting from homogenous teams lacking diverse perspectives, which can hinder creativity and adaptability	o Implement fair, effective, and consistent hiring practices to ensure equal opportunity for all candidates o Establish and enforce clear policies that guarantee equitable treatment of all employees and job applicants, regardless of background o Set measurable diversity targets to increase representation of underrepresented groups at all levels of the organisation
ECONOMIC CAPITAL		
EM1: Innovate & Develop Advanced IT	o Growth stagnation due to shifting market dynamics or limited innovation o Potential market share loss to competitors offering more sustainable or cost-effective solutions	o Introduce new technology and encourage market adoption
EM2: Sustainable Supply Chain	o Disruptions in the supply chain affecting operational continuity o Volatility in the cost and availability of sustainable materials o Overdependence on single or limited suppliers, increasing vulnerability to supply shocks	o Continually cultivate ties with new suppliers and markets focused on sustainability o Diversify and build partnerships with multiple suppliers to reduce reliance on any single source
NATURAL CAPITAL		
NM1: Environmental Protection	o High levels of energy consumption leading to increased operational costs and environmental impact o Improper management of e-waste, posing environmental and compliance risks	o Adopt energy-efficient practices at the workplace o Establish e-waste recycling programmes and partnerships

PERFORMANCE SCORECARD

Our sustainability performance scorecard enables the Company to set clear and quantifiable targets, monitor our progress over time, and identify areas for improvement. Regularly reviewing our scorecard not only ensures accountability, but also drives continuous improvement.

Theme	Targets	Progress in FYE2024
CUSTOMER CAPITAL	- Limit deviations in Functional Requirements Specification ("FRS") from customer requirements to <10%	- Achieved 9.9%
	- Keep Service Level Agreement ("SLA") failures to <5%	- Achieved 4.8%, an improvement of 0.4%
	- Client Satisfaction Survey score of 90%	- Achieved 80%
SOCIAL CAPITAL	- Maintain a Lost Time Incident Rate ("LTIR") of 0	- Maintained 0 LTIR
	- Achieve 100% employee participation in health and safety training by FYE2026	- Achieved 25%
	- Achieve 30% female representation on the Board by FYE2025	- Achieved 20%
	- Achieve 100% supplier compliance with Code of Conduct prohibiting child labour, forced labour, or unsafe working conditions	- Achieved 100%
	- Achieve 100% employee participation in anti-bribery and corruption training by FYE2024	- Achieved 100%
	- Assess 100% of operations for corruption-related risks by FYE2025	- Planned for FYE2025
	- Maintain zero confirmed incidents of corruption	- Maintained zero confirmed incidents of corruption
	- Maintain zero cases of non-compliance with prevailing laws and regulations	- Maintained zero cases of non-compliance with prevailing laws and regulations
	- Organise department outings and activities to boost employee engagement	- Organised and company-sponsored 4 employee engagement activities
ECONOMIC CAPITAL	- Prioritise local procurement	- Achieved 100% local procurement
NATURAL CAPITAL	- Practise the 4Rs (Recycle, Refurbish, Reuse, and Reduce)	- Repair and reuse IT equipment and their components until they are deemed unusable
	- Understand the current state of e-waste generation	- Conduct a comprehensive audit of all electronic devices and equipment, documenting their age and condition
	- Ensure proper sorting and storage	- Place designated e-waste collection bins in strategic locations and clearly label them according to the different types of e-waste

SUSTAINABILITY POLICIES

Sustainability policies are essential frameworks that set the direction for how we address key sustainability issues. By defining clear objectives and standards, our sustainability policies not only help us to comply with regulations, but also foster a culture of accountability and transparency.

We have developed a set of policies and action plans to serve as a guide for our decision-making processes and ensure accountability in our interactions with all stakeholders.

Anti-Bribery and Anti-Corruption Policy	Whistleblowing Policy	Freedom of Association & Collective Bargaining
Code of Ethics and Business Conduct	Gender Diversity Policy	Disciplinary & Grievance Practices
Modern Slavery and Human Trafficking	Child Labour	Human Rights

We are committed to review and enhance these policies continually to keep pace with the developments in our evolving business landscape.

CUSTOMER CAPITAL

Our mission — "to provide world-class solutions and services that bring our clients and their customers closer together" — clearly reflects our commitment to the success of our clients. It underscores how integral their achievements are to us and drives everything we do.

The key material matters we focus on, which directly relate to customer concerns, are Customer Satisfaction, Connectivity & Convenience, and IT Security & Safety. We address these priorities by delivering innovative web-based technology that enhances efficiency across several critical areas, such as supply chain and inventory management, scheduling, and information sharing.

CM1: CUSTOMER SATISFACTION

Customer satisfaction is at the heart of what Cuscapi does. We are dedicated to understanding and meeting the unique needs of each client by providing innovative, reliable, and tailored solutions.

Core Values

Our pursuit of maximising CUStomer CAPItal, the term from which our company name is derived, is driven by our commitment to three core customer care values: **Excellence**, **Creativity** and **Zeal**:

Excellence: Through consistent engagement and feedback, we strive to ensure that our products and services not only meet but exceed customer expectations. This commitment to excellence is supported by rigorous quality control processes at every stage of our operations. On the service side, our dedicated support teams, both on-site and off-site, are responsive and highly skilled in addressing technical issues swiftly, with multilingual staff available to ensure seamless communication and service for our global customer base.

SUSTAINABILITY STATEMENT

Creativity: We have specialised teams that design and innovate on our solutions to provide our clients with a competitive edge. By deeply understanding the unique needs of both our clients and their customers, we build solutions that are not only adaptable to evolving market demands, but also future-proof, ensuring our clients are equipped with the tools they need to thrive in an ever-changing business landscape.

Zeal: We are continually working to identify the most effective ways to serve our clients by leveraging data-driven insights. By applying advanced analytics and a deep understanding of our clients' needs, we ensure that our strategies are not only precise, but also tailored to deliver the highest level of service and efficiency.

Client Survey

In line with our commitment to client satisfaction, we have established an FRS that directs the development of our services and products. The FRS defines the features and functions of the solutions we deliver, ensuring alignment between our teams and our clients' expectations. Complementing the FRS is our SLA, which sets the standard for service performance, covering key metrics such as response times, system uptime, and issue resolution times. We aim to keep deviations in FRS design to less than 10% and ensure SLA failures do not exceed 5%. We are pleased to report that these targets were successfully met in FYE2024.

ACHIEVEMENTS:

- FRS: 9.9% against target of <10%
- SLA: 4.8% against target of <5%
- Client Satisfaction Survey: 80% against target of 90%

In our most recent Client Satisfaction Survey, we were encouraged by the strong and positive feedback received from our clients. An impressive 80% of respondents rated their overall experience with our service delivery as either "Excellent" or "Good," underscoring the consistent quality and reliability of the support we provide. This result reflects a high level of satisfaction and affirms that our efforts to maintain exceptional standards are resonating with our client base.

Equally significant, 80% of participants indicated that they would recommend our services to others. This endorsement is not only a testament to the positive impact we've made but also a powerful reflection of the trust, credibility, and confidence we've built with our clients over time.

CM2: CONNECTIVITY & CONVENIENCE

Connectivity and convenience are key to driving success in today's dynamic business world. Our innovative digital solutions are meticulously designed to enable our clients to stay connected with their teams, customers, and partners, no matter where they are. By integrating advanced technologies and streamlined processes into their operations, we ensure that our clients can access the tools and information they need at any time.

At Cuscapi, we channel the need for connection into the heart of our digital solutions. Our innovations are designed to empower clients to stay seamlessly connected with their teams, customers, and partners — no matter where they are. By integrating cutting-edge technologies and streamlined processes, we enable businesses to access critical tools and information anytime, anywhere.

We believe that no business is too small, and that technology should be accessible to all. That is why the Company's solutions cater to businesses of every size — from multinational corporations to small F&B outlets in underserved communities. Our advanced POS systems, including C360Engage, provide powerful tools that help businesses grow and thrive in an increasingly digital economy.

In line with this commitment, and in celebration of Malaysia's Independence Day in FYE2024, we offered C360Engage at an affordable rate of just RM2 per day for a limited time. This initiative reflects our ongoing effort to support local businesses with robust, affordable solutions that drive success and inclusion in the digital era.

CM3: IT SECURITY & SAFETY

We understand that safeguarding sensitive data and ensuring the integrity of our systems are essential to the successful operation of our clients' businesses. Protecting these critical assets is central to maintaining their trust, operational continuity, and long-term success. In this light, we comply strictly with the Personal Data Protection Act of the countries in which we operate. We have also adopted robust security measures, including advanced encryption protocols, firewalls, and multi-layered authentication processes, to help our clients maintain the confidentiality, integrity, and availability of their data.

In addition, we adhere to industry best practices and compliance standards to ensure that our IT solutions meet security and safety benchmarks. These efforts have helped us to maintain our record of no reported breaches of customer data privacy.

Data Security				
Period	Number of Substantiated Cybersecurity Complaints	Number of Data Breaches	Percentage that are Personal Data Breaches	Number of Users Affected
FYE2024	0	0	0%	0
FPE2023	0	0	0%	0
FYE2022	0	0	0%	0
Our Operations team does not handle any personal data. All business or outlet-specific data is self-hosted by our clients. Meanwhile, our online server infrastructure is securely managed by the IT team.				

Managing Systemic Risks from Technology Disruptions				
Period	Number of Performance Issues	Service Disruptions	Total Customer Downtime (Days)	Description of Business Continuity Risks Related to Disruptions of Operations
FYE2024	1 (from 12 noon, 4 Aug 2024 to 3:30pm, 5 Aug 2024)	1	1	SLA breach
FPE2023	1 (from 9:00pm, 14 Sep 2023 to 10:00am, 15 Sep 2023)	1	0.5	SLA breach

The increasing reliance on technology creates a larger attack surface, leading to potential cyberattacks, data breaches, and operational disruptions which necessitates proactive approach to risk management. In order to prevent future SLA breaches due to technology disruptions, Cuscapi is enhancing its infrastructure resilience, implementing advanced monitoring for early issue detection, and strengthening incident response protocols with 24/7 coverage and clear escalation paths. We will perform regular root cause analyses, service-level stress testing, and improved third-party risk management to support continuous improvement and operational continuity, minimise downtime, ensure compliance with SLAs, and maintain customer trust.

SUSTAINABILITY STATEMENT

Activity Metrics						
Period	Number of Licenses or Subscriptions	Percentage Cloud-Based	Data Processing		Data Storage	
			Capacity	Percentage Outsourced	Amount (Petabytes)	Percentage Outsourced
FYE2024	11,078	9.6%	N/A	N/A	N/A	N/A
FPE2023	7,565	0.6%	N/A	N/A	N/A	N/A
FYE2022	2,024	0.9%	N/A	N/A	N/A	N/A

Note:
We do not store and process customer data. All customer data is client-hosted and securely managed by IT, therefore we do not face security breaches, compliance challenges, data accessibility concerns, and potential data loss or corruption.

SOCIAL CAPITAL

Our people are our greatest asset, and we are deeply committed to supporting their needs. We have implemented a range of programmes designed to promote their professional growth and development. Additionally, we stay up to date with changes to employment laws and regulations in every country where we operate, ensuring that we not just comply but exceed the required standards.

In line with our dedication to social responsibility, we have developed policies that address critical issues impacting our stakeholders, especially those related to social challenges. Through these policies, we focus on executing actionable initiatives that create meaningful, lasting impact in the communities we serve.

SM1: ETHICS, GOVERNANCE & COMPLIANCE

We are committed to upholding the highest ethical standards in all our operations, from adhering to local and international regulations to promoting responsible business conduct. Our governance framework ensures clear accountability, sound decision-making and effective risk management.

We regularly review and update our policies to ensure compliance with relevant laws and industry standards, while also fostering a culture of ethical behaviour and transparency.

Percentage of Employees who have Received Training on Anti-Corruption by Employee Category				
Period	Employee Category	Total Number of Employees	Number of Employees who Received Training	Percentage of Employees who Received Training
FYE2024	Senior Management	4	4	100%
	Management	7	7	100%
	Executives	28	28	100%
	Non-Executives	1	1	100%
FPE2023	Senior Management	5	5	100%
	Management	11	11	100%
	Executives	23	23	100%
	Non-Executives	1	1	100%
FYE2022	Senior Management	5	5	100%
	Management	11	11	100%
	Executives	22	22	100%
	Non-Executives	1	1	100%

	Confirmed Incidents of Corruption and Action Taken		
Period	Confirmed Incidents of Corruption and Action Taken	Number of Action(s) Taken	Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Anti-Competitive Behaviour Regulations (MYR)
FYE2024	0	0	0
FPE2023	0	0	0
FYE2022	0	0	0

During the year under review, Cuscapi did not make any financial contributions or provide any form of support to political parties, candidates, or affiliated organisations. This reflects the Company's ongoing commitment to political neutrality and adherence to ethical business practices, ensuring that our operations remain independent of political influence.

SM2: EMPLOYEE WELLBEING

Employee wellbeing is a core priority at Cuscapi, as we recognise that a healthy, engaged workforce is key to our success. We are committed to fostering a supportive work environment that promotes physical, mental and emotional wellbeing through the following means:

Work-Life Balance

At Cuscapi, we adhere to regulatory requirements for working hours while also offering a flexible working-hour policy to promote a healthy work-life balance. This flexibility allows employees to better manage their schedules, accommodating family commitments and commuting needs.

Further to the above, in addition to statutory leave entitlements, we provide extended maternity and paternity leave, as well as congratulatory leave for events like marriage, examination leave for work-related courses, and compassionate, calamity, and emergency leaves, ensuring our employees have the support they need during important life events. To strengthen team dynamics and support the physical and social wellbeing of our employees, we organise throughout the year a variety of events and activities designed to foster a positive and engaging workplace culture.

Townhall Lunch

Gift Exchange

Team Building Activities

Labour Management

Cuscapi is fully committed to operating in compliance with all applicable national laws and regulations. Through our Cuscapi Sustainability Policy ("CSP"), we have established comprehensive labour standards that guide both our own operations and those of our suppliers. These standards aim to drive continuous improvement in social compliance and to uphold the highest ethical practices across our workforce and supply chain.

Cuscapi strictly adheres to Malaysia's Children and Young Persons Employment Act 1966 and fully supports the Children's Rights and Business Principles. We prohibit child labour in all its forms and are unwavering in our commitment to eliminating any practices that exploit children. This commitment is reinforced by our support for Goal 16 of the UN SDG: "End abuse, exploitation, trafficking and all forms of violence against and torture of children."

We fully support employees' rights under Malaysian labour law, including the right to form and join trade unions and to engage in collective bargaining. We are dedicated to treating all employees with dignity and respect. Under no circumstances do we condone corporal punishment, mental or physical coercion, or verbal abuse in the workplace.

Cuscapi complies with national laws regulating working hours, overtime, rest periods, and holiday entitlements. We believe in fair compensation, ensuring that our workforce receives wages that are commensurate with their contributions and aligned with legal standards. All remuneration and benefits are based on merit and performance, as evaluated through structured performance reviews. This merit-based approach promotes fairness, transparency, and equal opportunity for all employees.

Human Rights

Our Human Rights Policy aligns with international frameworks, including the UN Guiding Principles on Business and Human Rights, the International Labour Organization ("ILO") Core Conventions, and the Universal Declaration of Human Rights ("UDHR"). We expect every entity within the Cuscapi Group, as well as our external stakeholders, to uphold this policy and adopt a zero-tolerance stance toward any form of human rights violation.

Number of Substantiated Human Rights Complaints	
FYE2024	0
FPE2023	0
FYE2022	0

As of the year under review, we are pleased to report no confirmed instances of human rights violations within the Group and our supply chain, continuing our track record of exemplary human rights management.

SM3: HEALTH & SAFETY

The health and safety of our employees are important to us. We are committed to maintaining a safe and healthy work environment by adhering to all relevant regulations and taking proactive steps to prevent workplace accidents and injuries. This is all the more important, given the nature of our industry that presents unique challenges like regulatory gaps pertaining to rest breaks, ergonomics and social interactions. We also take into account how the flexibility of blended work hours and our employees' need to work from various locations can blur the boundaries between work and personal life.

To address concerns about potential physical and mental strain, we have implemented proactive measures to minimise occupational health risks, including back pain, mental exhaustion, and eyestrain from prolonged desk work. These initiatives include ergonomic assessments, regular safety training, and a strong emphasis on work-life balance, all aimed at ensuring our employees stay healthy, productive, and maintain a clear separation between their professional and personal lives. Additionally, employees have the opportunity to claim expenses for eyewear, further supporting their wellbeing and comfort at work.

Health & Safety Indicators

Number of Employees Trained on Health and Safety Standards		
Period	Total Number of Employees	Total Number of Employees Trained on Health and Safety Standards
FYE2024	40	30
FPE2023	40	5
FYE2022	39	0

2024 Health and Safety Training		
Title of Training	Number of Hours	Number of Employees
OSH Coordinator Programme	21	1
Kempen 1Rapi & Seminar Pencegahan Kebakaran	2	29

EMPLOYEES				
Period	Total Number of Hours Worked in the Reporting Period	Number of Lost Time Injuries	Lost Time Incident Rate (“LTIR”)	Work-Related Fatalities
FYE2024	1,968	1*	101.63	0
FPE2023	1,952	0	0.00	0
FYE2022	1,928	0	0.00	0

CONTRACTORS & SUBCONTRACTORS				
Period	Total Number of Hours Worked in the Reporting Period	Number of Lost Time Injuries	LTIR	Work-Related Fatalities
FYE2024	392	0	0.00	0
FPE2023	0	0	0.00	0
FYE2022	0	0	0.00	0

Note:
LTIR is calculated as: A/B x 200,000, where:

A: Number of lost time injuries in the reporting period
B: Total number of hours worked in the reporting period

The value of 200,000 represents a standardised value of the total number of hours that 100 employees work weekly for 40 hours, for a duration of 50 weeks (100 x 40 x 50 = 200,000).

* Employee injured during a team building activity. Future events will avoid activities with high potential for injury.

We are enhancing our safety measures to reduce lost time injuries by strengthening training programmes, improving hazard identification processes, and reinforcing compliance across all operations. Incident reviews are conducted thoroughly, with corrective actions promptly implemented to prevent recurrence. Regular safety audits are carried out to ensure continuous improvement and accountability. Our commitment remains focused on creating a safer workplace and achieving our goal of zero injuries.

SM4: DIGITAL DIVIDE

Community Commitment

Our community investment efforts are focused on closing the digital divide—the gap between individuals, communities, or regions that have access to modern information and communication technologies and those that do not. This divide is often caused by factors such as socio-economic status, geographic location, and educational background. As a result, it limits access to essential digital tools and the Internet, restricting opportunities for those affected.

Supporting Digital Transformation

Recognising the challenges posed by the digital divide, the Malaysian Government introduced the Madani economic plan to foster greater digital inclusion. A key component of this plan is the MSME Digital Grant MADANI, which aims to support micro, small, and medium enterprises (“MSMEs”) in their digital transformation journey. Through this initiative, eligible MSMEs can receive financial support covering up to 50% of their digital adoption costs, capped at RM5,000. These funds can be used to implement technologies such as digital transaction systems, customer management tools, and online outreach strategies, among others. Importantly, this support also helps MSMEs transition to the e-invoicing tax regime, aligning them with national digitalisation efforts.

IMPLEMENTATION OF E-INVOICE IN MALAYSIA

As a long-standing advocate for digital empowerment, Cuscapi has been a proactive partner in advancing this national agenda. Leveraging our deep expertise in digital solutions, we promoted the MSME Digital Grant MADANI to over 1,000 MSMEs across Malaysia, supporting them through each stage of their digital adoption journey and helping them meet evolving regulatory requirements while enhancing operational efficiency. This community-focused initiative reflects our strong commitment to bridging the digital divide and represents a meaningful investment of both time and resources. At the heart of this effort was a dedicated team of 5 personnel, deployed to handle enquiries, offer hands-on guidance, and facilitate the timely and accurate submission of grant applications on behalf of MSMEs.

SUSTAINABILITY STATEMENT

Community and Society		
Period	**Total Amount Invested in the Community where the Target Beneficiaries are External to the Listed Issuer (MYR)**	**Total Number of Beneficiaries of the Investment in Communities**
FYE2024	1,200	1,000

Note:
[1] To calculate the total value of our investment in this initiative, we consider the following:

Total Amount Invested = Manhours per personnel × Hourly wage rate × Number of personnel

SM5: DIVERSITY & INCLUSIVITY

Cuscapi is dedicated to promoting diversity and inclusivity, recognising that these values are key to creating an innovative and high-performing work environment. We are committed to supporting the needs of our diverse workforce and fostering the professional growth of a team that brings a wealth of unique perspectives and experiences.

We fully adhere to the employment laws and regulations in every country where we operate, ensuring that all employees—regardless of race, religion, gender, age, nationality, disability, ethnicity and background—are treated with respect, valued for their contributions, and empowered to perform at their best.

Percentage of Employees by Gender and Age Group Category			
	FYE2024	**FPE2023**	**FYE2022**
Gender			
Male	57%	62%	51%
Female	43%	38%	49%
Age			
<30 Years	32%	34%	31%
30-50 Years	58%	53%	56%
>50 Years	10%	13%	13%

Percentage of Directors by Gender and Age Group			
Percentage of Directors by Gender			
	FYE2024	**FPE2023**	**FYE2022**
Male	80%	80%	80%
Female	20%	20%	20%

Percentage of Directors by Age Group			
Age	**FYE2024**	**FPE2023**	**FYE2022**
<30	0%	0%	0%
31-50	0%	0%	0%
51>	100%	100%	100%

Percentage of Directors by Ethnicity			
	FYE2024	**FPE2023**	**FYE2022**
Malay	60%	60%	60%
Chinese	20%	20%	20%
Indian	20%	20%	20%
Other Ethnic Minorities	0%	0%	0%
Non-Malaysian	0%	0%	0%

Percentage of Employees by Ethnicity			
	FYE2024	FPE2023	FYE2022
Malay	54%	54%	46%
Chinese	38%	38%	46%
Indian	8%	8%	8%
Other Ethnic Minorities	0%	0%	0%
Non-Malaysian	0%	0%	0%

Employment Type (Percentage of Employees)			
	FYE2024	FPE2023	FYE2022
Contractual	2%	0%	0%
Permanent	98%	100%	100%
Total	**100%**	**100%**	**100%**

Percentage of Employees by Gender and Age Group Category					
FYE2024	Gender		Age		
Employee Category	**Male**	**Female**	**<30 Years**	**30-50 Years**	**>50 Years**
Senior Management	75%	25%	25%	50%	25%
Management	75%	25%	13%	63%	25%
Executive	48%	51%	40%	59%	0%
Non-Executive	100%	0%	0%	0%	100%
Total	**58%**	**42%**	**32%**	**58%**	**10%**
FPE2023					
Employee Category	**Male**	**Female**	**<30 Years**	**30-50 Years**	**>50 Years**
Senior Management	100%	0%	0%	80%	20%
Management	55%	45%	9%	64%	27%
Executive	57%	42%	56%	43%	0%
Non-Executive	100%	0%	0%	0%	100%
Total	**63%**	**37%**	**34%**	**53%**	**13%**
FYE2022					
Employee Category	**Male**	**Female**	**<30 Years**	**30-50 Years**	**>50 Years**
Senior Management	100%	0%	0%	60%	40%
Management	64%	36%	9%	73%	18%
Executive	32%	68%	50%	50%	0%
Non-Executive	100%	0%	0%	0%	100%
Total	**51%**	**49%**	**31%**	**56%**	**13%**

Recruiting & Managing a Global, Diverse & Skilled Workforce	FYE2024	FPE2023	FYE2022
Percentage of Employees that Require a Work Visa	0	0	0
Employee Engagement as a Percentage	0	0	0

Total Number of Employee Turnover			
	FYE2024	FPE2023	FYE2022
Senior Management	1	2	1
Management	5	3	15
Executive	5	12	28
Non-Executive	0	0	1

Cuscapi is committed to preventing discrimination in all our operations worldwide. The Company requires our subcontractors to fully comply with national labour laws in their hiring practices. Our whistleblowing procedures and contact details are readily available on our website. We proactively address potential adverse impacts by clearly defining usage guidelines for our products and implementing mechanisms to enforce these policies.

SM6: DEVELOP IT PROFESSIONALS

With the fast-evolving nature of the global IT industry, Cuscapi sees a pressing need to develop IT professionals who not only have the requisite knowledge and experience, but also possess the resilience to thrive and stay ahead of the curve.

The continuous professional growth of our employees is vital for the Company to maintain a competitive edge whilst boosting their job satisfaction and meeting the evolving needs of our clients. As such, Cuscapi offers our team access to a wide range of training programmes, both external and internal, to help them enhance their skills, expand their knowledge, and achieve holistic personal growth. External training is conducted by industry professionals who provide insights into the latest trends and technologies, while internal training is led by our senior team members, offering guidance to new hires or delivering valuable refreshers to keep our team up-to-date.

We also offer internship programmes designed to nurture the next generation of IT talent, providing undergraduates with valuable real-world experience and a deeper understanding of the industry. Through these programmes, interns gain hands-on exposure to our work environment, allowing them to develop their skills and build professional networks. For those who excel, these internships also serve as a pathway to potential employment opportunities, enabling us to tap into fresh talent while offering promising candidates a stepping stone to a successful career in IT.

Total Hours of Training by Employee Category					
Period	Senior Management	Management	Executive	Non-Executive	Total
FYE2024	43	97	256	1	**397**
FPE2023	14	70	210	0	**294**
FYE2022	16	72	0	0	**88**

FYE2024 Employee Training Summary		
Types of Training	Number of Hours	Number of Employees
Human Rights	0	0
Health and Safety	77	29
Environment	0	0
Career Development (with certification)	0	0
Operations (e.g. finance, technical, risk management and IT)	280	27
Anti-Corruption	1	41
Total	**358**	**97**

ECONOMIC CAPITAL

EM1: INNOVATE & DEVELOP ADVANCED IT

At Cuscapi, one of our core principles is to promote economic growth that fosters long-term progress, creates meaningful job opportunities, and enhances the living standards of the communities where we operate. This focus on social and economic inclusion is also in line with Malaysia's national agendas, the National Fourth Industrial Revolution Policy, the Malaysia Madani policy framework and the Twelfth Malaysia Plan, which are aimed at transforming Malaysia into an innovation-driven economy that can compete effectively on the global stage whilst improving the wellbeing of its citizens.

Cuscapi's business model provides us with a distinct advantage in this regard, strategically positioning us to achieve these outcomes. As a Malaysia Digital Status company and a pioneering provider of POS solutions in the country, we specialise in offering comprehensive business management systems, IT security solutions, consulting services, and contact centre outsourcing for a diverse range of industries. We are committed to continuous innovation and the integration of advanced technologies. By ensuring we remain at the cutting edge of the industry, we contribute to elevating Malaysia's profile on the global technological stage.

Our business generates direct economic impacts in the form of revenue from the sale of our products and services, as well as our tax payments, employee salaries, new product launches and equity. By providing employment opportunities, we also help to upskill the workforce, building a robust talent pool for the local and international IT industry. Launching new products expands our economic opportunities further, particularly in management and service-related industries like business process outsourcing. This diversification allows us to tap into new markets and create additional value across various sectors.

The following table illustrates our business' direct economic contributions:

Direct Economic Contributions (MYR)			
	FYE2024	FPE2023	FYE2022
Revenue	43,611,771	28,386,012	9,942,025
Tax Expenses	330,745	248,679	212,161
Employee Wages	4,828,246	8,219,745	6,719,597
Number of Employees	40	40	39

EM2: SUSTAINABLE SUPPLY CHAIN

A sustainable supply chain is one that integrates environmentally and socially responsible practices across every stage. It involves selecting suppliers who prioritise ethical labour practices, minimise environmental impact, and adhere to fair trade principles.

At Cuscapi, we believe that having a sustainable supply chain in place is more than just about reducing the overall environmental footprint of our production and distribution – it also encourages suppliers to prioritise transparency, innovation, and shared responsibility for the planet. By maintaining a network of responsible suppliers, we also enhance our brand reputation and customer loyalty.

Doing business with our suppliers generates indirect economic impacts from the payments we make to our suppliers, which then create a ripple effect throughout the local economy. These multiplier effects contribute to broader economic activity, supporting job creation, fostering local business growth, and generating additional economic value within the communities where we operate.

Commitment to Local Employment and Procurement

We have consistently allocated 100% of our spending to local suppliers, as we believe in the value of supporting local businesses. By prioritising local sourcing, we reduce transportation distances and costs, which not only lowers our carbon footprint, but also stimulates the local economy. Harnessing the potential of IT also produces other indirect benefits, such as enhancing businesses' optimisation of supply chain operations and improving communication with customers and partners, facilitating price transparency and expanding market opportunities for buyers and sellers, improving the effectiveness of marketing strategies and pricing models, as well as expanding consumer choice, convenience and satisfaction. The Company is also committed to local employment, with all employees hired locally.

Proportion of Spending on Local Suppliers			
Period	**Total Amount Spent on All Suppliers (MYR)**	**Total Amount Spent on Local Suppliers (MYR)**	**Proportion of Spending on Local Suppliers**
FYE2024	1,014,151	1,014,151	100%
FPE2023	1,170,000	1,170,000	100%
FYE2022	1,310,000	1,310,000	100%

NATURAL CAPITAL

Cuscapi is committed to minimising our environmental footprint through sustainable practices. We also ensure that the services we offer are designed to be environmentally friendly, helping our clients achieve their goals without compromising the planet's wellbeing. By embedding sustainability into both our operations and solutions, we aim to drive positive environmental change and contribute to a more sustainable future.

NM1: ENVIRONMENTAL PROTECTION

Our Environmental Policy

In the current landscape of rapid technological advancement, the synergy between data analytics and cloud computing has emerged as a pivotal force propelling sustainability within digital transformation initiatives. This symbiotic relationship optimises operational efficiency and puts forward environmentally conscious practices. In this light, we commit to:

- Optimise the client's software and infrastructure to empower them to mitigate their environmental impacts such as greenhouse gas emissions and resource consumption.
- Practising a circular economy by Reducing, Reusing, Recycling and Repurposing generated waste as much as possible.
- Extend the life cycle of our hardware by repairing and replacing parts and reducing upgrades.
- Raise the environmental awareness of our stakeholders.
- Adopt eco-friendly and energy-efficient hardware to improve our value chain.
- Comply with applicable environmental laws and regulations

As a provider of software technology-based services, Cuscapi does not have manufacturing operations that produce emissions or effluents. We also do not operate data centres as all our clients' business or outlet-specific data is self-hosted by our clients. Therefore, we impact the environment via our business operations, as well as our ability to influence the ecological footprint of our clients through the range of services we provide.

Sustainable IT Operations

Minimising e-Waste

To minimise our electronic waste, we go beyond the typical five-year lifespan of most computers through our Computer Lifespan Extension Programme. This initiative allows our devices to function effectively for six to eight years, extending their useful life and reducing the need for frequent replacements.

We also prioritise eco-conscious practices in our hardware procurement, with energy efficiency and environmentally responsible disposal being central to our decision-making process. Instead of discarding aging devices, we refurbish, repair, and recycle them, replacing damaged parts to extend their lifespan. When equipment reaches the end of its useful life, we ensure it is properly disposed of by a licensed contractor, in compliance with the Department of Environment's standards, to prevent harmful environmental effects. This circular approach helps us significantly reduce e-waste and supports our sustainability goals.

Waste (Metric Tonnes)				
Period	**Recycled (Diverted from Disposal)**	**Non-Recycled (Directed to Disposal)**	**Total Waste Generated**	**Percentage of Waste Recycled vs. Generated**
FYE2024	0	0	0	0%
FPE2023	0	0	0	0%
FYE2022	0	0	0	0%

Reducing Carbon Emissions, Promoting Energy Efficiency

As Cuscapi does not engage in manufacturing operations, we do not have emissions categorised under Scope 1, i.e. direct greenhouse gas ("GHG") emissions from owned or controlled sources. Our carbon footprint is primarily derived from Scope 2 (purchased energy) and Scope 3 (employee commuting and business travel). The mitigation measures for these emissions are outlined below.

- Our computing and storage systems leverage cloud technology to enhance scalability, flexibility, and efficiency. By utilising the cloud, we can quickly adapt to changing business needs, streamline data management, and reduce the environmental impact associated with maintaining on-site hardware. Cloud services also enable us to optimise our resource usage while ensuring secure and reliable data access. This approach not only supports our operational goals, but also aligns with our commitment to sustainability by reducing our carbon footprint.

- Video conferencing and remote work also play a key role in reducing GHG emissions by removing the need for travel. Shifting as many meetings to virtual platforms as possible reduces the need for employees to commute to the office, saving them valuable time and energy whilst significantly cutting down transportation-related carbon emissions.

Environmentally Friendly Work Measures				
Period	**Percentage of Conferences Attended Virtually**	**Percentage of Meetings Attended Virtually**	**Number of International Business Trips**	**Number of Domestic Business Trips**
FYE2024	20%	80%	5	1
FPE2023	35%	80%	2	0
FYE2022	20%	80%	3	5

SUSTAINABILITY STATEMENT

GHG Emissions (tCO2e)			
Period	**Scope 1**	**Scope 2**	**Scope 3**
FYE2024	N/A	26.63	6,297.25
FPE2023	N/A	28.21	N/A
FYE2022	N/A	N/A	N/A
GHG Definitions			
Scope 1	No emissions from owned or controlled sources as we do not engage in manufacturing operations		
Scope 2	Purchased energy		
Scope 3	Business travel and employee commuting		
GHG Framework: GHG Protocol			
Emission Factor: Malaysia Energy Commission's 2019 Grid Emission Factor Report			

Total Volume of Water Used (Megalitres)			
Period	**Surface, Ground, Quarry, Harvested Water**	**Municipal Potable Water**	**Total**
FYE2024	0	0	0
FPE2023	0	0	0
FYE2022	0	0	0

Our procurement team is committed to sourcing energy-efficient devices. We primarily invest in Android tablets and laptops, which consume less energy than traditional desktop computers. The higher initial costs of these devices are offset by the substantial long-term savings generated through their energy efficiency.

To reduce energy consumption at our leased workspace, our centralised air conditioning system runs from 8:30am to 6:00pm on weekdays at a set temperature of 18°C. This centralised approach, as opposed to using individual split-system units, helps to ensure optimal comfort and energy efficiency. We also encourage employees to hibernate their computing devices when idle and switch off all unused equipment and lights, including in common areas. Further lowering our ecological impact is our paperless approach, which minimises waste and energy consumption. Documents are shared digitally as much as possible.

Total Energy Consumption						
	Total Non-Renewable Energy (GJ)					
Period	**Electricity**	**Fuel**	**Gas and Others**	**Total Energy Input (GJ)**	**Total Percentage of Renewable Energy Input (GJ)**	**Total Energy Input (Megawatts)**
FYE2024	126.82	13.29	0	140.11	0%	38.919
FPE2023	134.32	29.99	0	164.31	0%	45.642
FYE2022	-	28.34	0	28.34	0%	7.872

Shaping Clients' Ecological Footprints

We support Malaysia's Nationally Determined Contribution to reduce GHG emissions intensity by 45% by 2030 (from 2005 levels) by being a signatory of the Malaysia Digital Climate Action Pledge, initiated by the Malaysia Digital Economy Corporation. Participating in this initiative is our express commitment to our stakeholders to conduct our business operations with a focus on sustainability, through practices that emphasise reducing, reusing, and recycling. As part of this initiative, we actively engage with our stakeholders, fostering transparent dialogue on our ongoing sustainability efforts and progress whilst encouraging them to adopt similar goals for a collective impact.

Cuscapi also plays a pivotal role in influencing our clients to adopt eco-friendly practices through our suite of innovative solutions. For food waste reduction, our Transight POS solution features an advanced inventory management system that empowers clients in the F&B sector to optimise their stock management processes. By providing real-time data on inventory performance, our system helps reduce food waste, prevent losses, and enable more sustainable decision-making. In terms of material waste, the GENPACX Dealer Management solution streamlines operations by automating key factors like delivery times and manpower usage, leading to more efficient inventory distribution and reducing material waste.

Additionally, our Electronic Dealer Management System connects vehicle assemblers, distributors, and dealers with government initiatives, enabling the seamless online submission of vehicle registrations and duty payments. This web-based platform not only reduces administrative waste, but also eliminates the need for face-to-face interactions, significantly lowering carbon emissions associated with commuting. Through these solutions, Cuscapi fosters sustainable practices across industries, helping our clients to reduce waste and lower their environmental impact.

SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Management	Percentage	100.00
Executive	Percentage	100.00
Non-Executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,200.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,000
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	25.00
Senior Management Between 30-50	Percentage	50.00
Senior Management Above 50	Percentage	25.00
Management Under 30	Percentage	13.00
Management Between 30-50	Percentage	63.00
Management Above 50	Percentage	25.00
Executive Under 30	Percentage	40.00
Executive Between 30-50	Percentage	59.00
Executive Above 50	Percentage	0.00
Non-Executive Under 30	Percentage	0.00
Non-Executive Between 30-50	Percentage	0.00
Non-Executive Above 50	Percentage	100.00
Gender Group by Employee Category		
Senior Management Male	Percentage	75.00
Senior Management Female	Percentage	25.00
Management Male	Percentage	75.00
Management Female	Percentage	25.00
Executive Male	Percentage	48.00
Executive Female	Percentage	51.00
Non-Executive Male	Percentage	100.00
Non-Executive Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	38.92
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	101.63
Bursa C5(c) Number of employees trained on health and safety standards	Number	30
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	43
Management	Hours	97
Executive	Hours	256
Non-Executive	Hours	1
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	1
Management	Number	5
Executive	Number	5
Non-Executive	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.000000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	26.63
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	6,297.25

Internal assurance External assurance No assurance (*)Restated

IFRS, ISSB Standards: S1 Sustainability Accounting Standards Board ("SASB") TECHNOLOGY & COMMUNICATIONS SECTOR: Software and IT Services			
TOPIC	**METRIC**	**CODE**	**MATERIAL MATTER**
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	TC-SI-130a.1	N1: Environmental Protection
	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SI-130a.2	N1: Environmental Protection
	Discussion of the integration of environmental considerations into strategic planning for data centre needs	TC-SI-130a.3	Not applicable (data is client-hosted and securely managed by IT)
Data Privacy & Freedom of Expression	Description of policies and practices relating to targeted advertising and user privacy	TC-SI-220a.1	Not applicable (data is client-hosted and securely managed by IT)
	Number of users whose information is used for secondary purposes	TC-SI-220a.2	Not applicable (data is client-hosted and securely managed by IT)
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	Not applicable (data is client-hosted and securely managed by IT)
	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	TC-SI-220a.4	Not applicable (data is client-hosted and securely managed by IT)
	List of countries where core products or services are subject to government- required monitoring, blocking, content filtering, or censoring	TC-SI-220a.5	Not applicable (data is client-hosted and securely managed by IT)
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of users affected	TC-SI-230a.1	CM3: IT Security & Safety
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2	Not applicable (data is client-hosted and securely managed by IT)

IFRS, ISSB Standards: S1 Sustainability Accounting Standards Board ("SASB") TECHNOLOGY & COMMUNICATIONS SECTOR: Software and IT Services			
TOPIC	**METRIC**	**CODE**	**MATERIAL MATTER**
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that require a work visa	TC-SI-330a.1	SM5: Diversity & Inclusivity
	Employee engagement as a percentage	TC-SI-330a.2	SM5: Diversity & Inclusivity
	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees, and (d) all other employees	TC-SI-330a.3	SM5: Diversity & Inclusivity
Intellectual Property Protection & Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	TC-SI-520a.1	SM1: Ethics, Governance & Compliance
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	TC-SI-550a.1	CM3: IT Security & Safety
	Description of business continuity risks related to disruptions of operations	TC-SI-550a.2	CM3: IT Security & Safety
Activity Metrics	(1) Number of licences or subscriptions, (2) percentage cloud-based	TC-SI-000.A	CM3: IT Security & Safety
	(1) Data processing capacity, (2) percentage outsourced	TC-SI-000.B	Not applicable (data is client-hosted and securely managed by IT)
	(1) Amount of data storage, (2) percentage outsourced	TC-SI-000.C	Not applicable (data is client-hosted and securely managed by IT)

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("**Board**") of Cuscapi Berhad ("**Cuscapi**" or "**the Company**") is committed to embedding sustainability principles within the Company's business strategies to drive long-term value creation. The Board plays a pivotal role in fostering a strong corporate governance ("**CG**") culture across the Company and its subsidiaries by conducting regular reviews and awareness initiatives to ensure that CG practices remain robust, relevant, and aligned with the Group's business objectives.

The Corporate Governance Overview Statement has been prepared in compliance with Main Market Listing Requirement ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and key corporate governance principles set out in the Malaysia Code on Corporate Governance 2021 ("**MCCG**").

This statement should be read in conjunction with the detailed Corporate Governance Report 2024 ("**CG Report**"), which is available on the Company's website at www.cuscapi.com and has also been announced on the Bursa Securities website.

Except as otherwise disclosed in the CG Report, the Company has adopted the three (3) key corporate governance principles recommended in the MCCG as of the financial year ended 31 December 2024 ("**FYE 2024**"). A summary of these principles is provided below:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1 - BOARD RESPONSIBILITIES

Board and Board Committees

The Board holds primary responsibility for the overall governance, management and strategic direction of the Company. They are entrusted with ensuring the long-term success of the Company and safeguarding the interests of shareholders and stakeholders.

The principal functions and responsibilities of the Board include, but are not limited to, the following:

- Approving corporate plans, strategies, and strategic initiatives, including business restructuring and alliances.
- Overseeing financial performance, approving budgets, financial statements, and major capital expenditures.
- Identifying and managing key risks, ensuring effective internal controls and compliance with applicable laws.
- Ensuring sound corporate governance structures, ethical conduct, and regulatory compliance.
- Ensuring effective communication with shareholders and stakeholders through investor relations and shareholder policies.
- Overseeing the development and implementation of effective succession planning for the leadership team and senior management.

In line with the Practice 1.3 of the MCCG that recommend the positions of the Chairman of the Board and Chief Executive Officer ("**CEO**") to be held by different individuals, the Company has established a clear distinction between their roles and responsibilities to enhance corporate governance and ensure transparency. The Chairman primarily responsible for providing leadership to the Board, ensuring its effective functioning and facilitate sound decision-making. Meanwhile, the CEO is tasked with defining and executing the Group's strategic vision, driving corporate strategies, and ensuring operational efficiency. This structured separation promotes a balance distribution of power and authority within the Company, thereby fostering accountability and preventing any individual from exercising unfettered decision-making powers.

Besides, the Board acknowledges a well-defined distinction between the roles and responsibilities of the Board and Senior Management is essential to maintain an effective balance between strategic decision-making and executive oversight. While the Board is responsible for setting the Company's overall strategic direction and ensuring governance, it delegates specific authority to Senior Management through a structured framework with well-defined limits. This delegation allows for efficient day-to-day management while ensuring that the Board retains decision-making authority over key matters critical to the Company's long-term success and governance.

To support the Board's governance role and to facilitate the effective discharge of its functions, the Board Committees namely, Audit and Risk Management Committee ("**ARMC**") and Nomination and Remuneration Committee ("**NRC**") have been established in the Company. Each Committee operates under their clearly defined terms of reference, which are available on the corporate website. The respective Chairpersons of these committees are responsible for reporting the key deliberations to the Board and present recommendations for approval, when necessary. While the committees play a vital role in advising and assisting the Board, the final decision-making authority rests with the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 1 - BOARD RESPONSIBILITIES (CONTINUED)

Board and Board Committees (Continued)

In addition, the Company has fully adopted the Practice 1.4 of the MCCG, which stipulates that the Chairman of the Board shall not be a member of any Board Committees and not be involved in any Board Committees' Meetings. This practice has been implemented to mitigate the risks of self-reviews and to safeguard the objectivity and independence of the Board Committees' decision-making processes.

Board Charter

The Board operates in accordance with a formal Board Charter that defines its strategic intent, roles and responsibilities. The Charter serves as a guiding framework to ensure effective governance. Its key objectives include:

- To enable the Board to provide strategic guidance and effective oversight of Management;
- To clarify the roles and responsibilities of members of the Board and Management to facilitate Board and Management's accountability to the Company and its shareholders;
- To ensure a balance of authority so that no single individual or group of Directors has unfettered powers; and
- To assist the Board in the assessment of its own performance and of its individual Directors.

A copy of the Board Charter is available on the Company's corporate website at www.cuscapi.com. The Charter will undergo regular reviews to remain compliant with legislative requirements, industry best practices and the evolving needs of the Group.

Qualified and Competent Company Secretaries

During the FYE 2024, the Board is supported by two (2) qualified and competent Company Secretaries, both of whom are members of The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretaries play a critical role in providing independent advice and dedicated support services to the Board, facilitating the effective discharge of its responsibilities.

They are responsible for keeping the Board informed of statutory, regulatory, and corporate developments, as well as advising on corporate governance practices and compliance with relevant laws. The Company Secretaries also attended all Board and Board Committee meetings to advise on matters related to corporate governance, statutory matters, and the Directors' responsibilities.

Through continuous professional development, the Company Secretaries remain updated on regulatory changes, emerging business trends, and the evolving role of the Company Secretary. This ensures that the Board receives comprehensive support and guidance, while maintaining effective communication within the Board, its Committees, and between Management and Non-Executive Directors.

Board Meetings and Supply of Information to the Board

The Board holds regular meetings at least four (4) times annually, with additional ad-hoc meetings convened as necessary when urgent issues and important decisions were required between the scheduled meetings.

The Company scheduled Board meetings in advance to facilitate optimal attendance. In accordance with the MMLR, each Board member is expected to attend a minimum of 50% of all Board meetings held within the financial year. During FYE 2024, all Directors achieved full attendance, with 100% participation in the five (5) Board meetings held during the year. The Board is satisfied with the time and commitment demonstrated by its Directors, as reflected in their attendance records, and confirms that sufficient attention is dedicated to fulfilling their responsibilities.

The agendas of meetings and relevant meeting materials are distributed to the Board members at least seven (7) days prior to each meeting to enable informed decision-making. This timeframe ensures the members have sufficient opportunity to review the materials, prepare accordingly, and actively participate in discussions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 1 - BOARD RESPONSIBILITIES (CONTINUED)

Board Meetings and Supply of Information to the Board (Continued)

To discharge their duties, the Board have unrestricted access to information concerning the Group's business and affairs. This includes regular reports on financial performance, business development, risk management, and significant litigation matters. The Board retains the right to request additional information or clarification on complex or technical issues as needed. Furthermore, both the Board and its Committees may seek independent professional advice to support their decision-making and ensure the effective discharge of their duties.

Furthermore, all discussions, decisions, and actions taken during the meetings, including the assignment of responsibilities, are documented in the meeting minutes, which are diligently maintained by the Company Secretaries. The outcomes of those meetings, along with any follow-up actions, are communicated to Management for prompt implementation.

Good Business Conduct and Corporate Culture

The Board remains committed to conducting business in accordance with the highest ethical standards while ensuring full compliance with applicable laws and regulations. In alignment with the MCCG, the Board has established a Code of Ethics and Business Conduct to foster a corporate culture rooted in integrity, accountability and ethical behaviour. The Code sets clear expectations for all employees, reinforce corporate governance practices and encourage adherence to ethical business practices.

Besides, the Company has established a Directors' Fit and Proper Policy to ensure that only individuals with the necessary qualifications, expertise, competence, and integrity are appointed to the Board. All candidates for appointment or re-election as Directors within the Group undergo a rigorous assessment by the Board in accordance with the policy.

The Board also recognises its duty to uphold high standards of governance and ethics. To fulfill this responsibility, the Board has adopted an Anti-Bribery and Anti-Corruption Policy ("**ABAC Policy**"), which enforces a strict "zero tolerance" stance against corruption and bribery in all forms. The ABAC Policy set strict guidelines for preventing, detecting, and addressing any form of bribery or corruption. It mandates that all Directors and employees conduct business with integrity and transparency. The policy also outlines procedures for handling improper solicitation, bribery, and other unethical practices, ensuring compliance with regulatory requirements.

To further enhance transparency and accountability, the Board has implemented a Whistleblowing Policy, fostering a culture of ethical reporting within the Company. This policy provides a structured and secure mechanism for employees and stakeholders to raise concerns regarding potential misconduct, unethical behaviour, or regulatory breaches without fear of retaliation. In compliance with the Whistleblower Protection Act 2010, the Company ensures that all reports are treated with strict confidentiality and that appropriate action is taken to address valid concerns.

The relevant code and policies are available for reference on the corporate website at www.cuscapi.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 1 - BOARD RESPONSIBILITIES (CONTINUED)

Directors' Training and Development

The Board recognises that continuous education and professional development are essential for Directors to effectively discharge their duties. The Directors are encouraged to participate in relevant training programs to stay updated on industry trends, regulatory changes, and governance best practices.

During the FYE 2024, the Directors attended various training sessions and seminars to enhance their knowledge and competencies as below: -

Name	Description
Datuk Jayakumar A/L Panneer Selvam	• Pertubuhan Alumni Rumpun Fakulti Undang-Undang Universiti Malaya; and Fakulti Undang-Undang Universiti Malaya: Corporate Liability for Corruption Offenses – A Game Changer?
Dato' Sheah Kok Fah	• Pertubuhan Alumni Rumpun Fakulti Undang-Undang Universiti Malaya; and Fakulti Undang-Undang Universiti Malaya: Corporate Liability for Corruption Offenses – A Game Changer?
Datuk Mat Noor Bin Nawi	• PNB Knowledge Forum 2024 – Economic Complexity: Navigating the Threads of Economic Relatedness • Pertubuhan Alumni Rumpun Fakulti Undang-Undang Universiti Malaya; and Fakulti Undang-Undang Universiti Malaya: Corporate Liability for Corruption Offenses – A Game Changer? • Project Converse: Fireside Chat with Nominee Directors of PNB – Purposeful Leadership & Sustainability • Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Dato' Sri Khazali Bin Haji Ahmad	• Mastering E-Invoicing from Fundamentals to Implementations • Securities Commissions Malaysia's (SC) Audit Oversight Board (AOB) • Pertubuhan Alumni Rumpun Fakulti Undang-Undang Universiti Malaya; and Fakulti Undang-Undang Universiti Malaya: Corporate Liability for Corruption Offenses – A Game Changer?
Puan Mohaini Binti Mohd Yusof	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Power Talk: Being Sued as an INED - A Personal Journey • Advocacy Dialogue: ICDM BNRC Dialogue & Roundtable -Mind Matters: Mental Wellbeing in the Workplace • Advocacy Dialogue: ICDM Board Sustainability Committee Dialogue & Roundtable -How Resilient is your Business to Nature & Biodiversity Loss? • In-House Briefing Session: Key Developments in our Sustainability Initiatives • Pertubuhan Alumni Rumpun Fakulti Undang-Undang Universiti Malaya; and Fakulti Undang-Undang Universiti Malaya: Corporate Liability for Corruption Offenses – A Game Changer?

The Board remains committed to fostering continuous professional development and will proactively assess and determine the training needs to ensure themselves are well-equipped to carry out their roles and responsibilities effectively.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 2 - BOARD COMPOSITION

Composition of the Board

The Board currently consists of five (5) members: one (1) Executive Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors. The Company complies with the Paragraph 15.02 of the MMLR, which mandates that at least two (2) or one-third (1/3) of the Board must be independent directors. In the event of any vacancy resulting in non-compliance, the Company will ensure the vacancy is filled within three (3) months.

The Board regularly assesses the independence of each Independent Director as part of its annual evaluation process. These assessments consider various factors, including relationship with the Company and involvement in significant transactions. Directors are also required to disclose any conflicts of interest or personal interests in the Company's matters.

Although the MCCG recommends a nine-year tenure limit for Independent Director, it can be extended subject to solid recommendations from the Board and with shareholders' approval through a two-tier voting process at the general meeting. As of now, the Company has not yet adopt a formal policy limiting the tenure of Independent Directors, and no Independent Directors has reached the nine-year limit.

The brief profile of each Board member is presented under the Directors' Profile of this Annual Report.

Board Diversity

The Board is committed to fostering diversity in its composition, embracing differences in gender, ethnicity, skills, experience, and age. This balanced approach ensures effective Board functioning and supporting the evolving needs of the Company. The Board members bring a wide range of expertise in fields such as IT, finance, accounting, legal, and communications, contributing to the Company's sustainability and overall success.

The Group adheres to a policy that ensures all employment decisions based solely on job qualifications without discrimination based on race, colour, sex, age, national origin, ancestry, religion, pregnancy, marital status or veteran status. This applies to various employment decisions, including hiring, job assignment, promotion, transfer, wage reviews and the provision of company-paid fringe benefits, reinforcing a fair and inclusive workplace where merits prevails.

Currently, the Board consists of one (1) female director, reflecting the Company's commitment to gender diversity. In line with the MCCG, the Board will continue to assess potential female candidates for future appointments to enhance gender representation.

By prioritising diversity and inclusion, the Board believes it can leverage its members' unique perspectives and strengths, driving effective governance, promoting inclusivity, and maintaining a competitive advantage.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 2 - BOARD COMPOSITION

Nomination and Remuneration Committee

The NRC is responsible for ensuring that the Board comprises individuals with the necessary qualifications, skills, and experience to drive the Company's success. The NRC regularly reviews the Board's structure, size, and composition, ensuring alignment with the Company's strategic needs. It also identifies and nominates potential candidates for Board appointments as required.

Additionally, the NRC plays a key role in evaluating the independence of Independent Directors and reviewing the performance of the Board, its Committees, and individual Directors. It also oversees the assessment and recommendation of remuneration packages for Directors and Senior Management, ensuring that they align with both corporate and individual performance.

The NRC is composed entirely of Independent Non-Executive Directors as follows:

Name of Directors	Directorship	Designation
Puan Mohaini Binti Mohd Yusof	Independent Non-Executive Director	Chairperson
Dato' Sheah Kok Fah	Independent Non-Executive Director	Member

During the FYE 2024, the NRC convened one (1) meeting to deliberate on the following key matters:-

i) review and recommend to the Board on the re-appointment of retiring directors;
ii) review the composition of Board and Board Committees;
iii) review and assess the performance of the individual Directors, Board as a whole and Board Committees; and
(iv) review and recommend to the Board for the payment of Directors' fees and Directors' benefits.

The NRC recommendations were subsequently presented to the Board for approval.

The Terms of Reference of the NRC are available for reference at www.cuscapi.com.

Re-election and Re-appointment of Directors

In accordance with the Company's Constitution, at least one-third of the Directors, or the number closet to one-third, shall retire by rotation at each Annual General Meeting ("**AGM**") and be eligible for re-election. Additionally, all Directors must retire at least once every three (3) years but may stand for re-election. Those who have served the longest since their last election will be subject to retirement first.

The NRC will review and recommends the re-election of Directors to the Board for approval. The proposal will then table at the AGM for shareholders' consideration and approval.

The Directors who are seeking for re-election at the forthcoming 45th AGM are Datuk Jayakumar A/L Panneer Selvam and Puan Mohaini Binti Mohd Yusof. Their profile are disclosed on page 13 and 17 of the Annual Report.

Board Effectiveness Evaluation

To ensure that the Board and its Committees operate effectively, the Company conducts an annual formal evaluation process. During the financial year, the Board through the assistance of Company Secretaries, undertook a comprehensive review of performance, including that of its Committees and individual Directors.

The evaluation was conducted via a structured questionnaire, covering key areas such as:

- **Board structure and operations** – including roles, responsibilities, and governance effectiveness.
- **Board Committees** – assessing composition, expertise, communication, and communications.

To maintain an objective assessment, the Company Secretaries managed the process by distributing and collecting the completed questionnaires before submitting the findings to the NRC Chairperson. The Chairperson, with the assistance of the Company Secretaries, compiled a report on the evaluation outcomes, which was then presented to the Board for discussion and necessary actions.

The results of the Board and Committees performance assessments, including self and peer evaluations, were formally reported and noted by the Board during the board meeting.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 3 - REMUNERATION

The Board acknowledges that a well-structured remuneration framework is essential for attracting and retaining talented individuals, contributing to the long-term success of the Company by ensuring business stability and growth.

To support its oversight function, the Board has established the NRC. This committee is responsible for evaluating and recommending remuneration for Directors and Senior Management. The NRC will propose the remuneration and benefits of Executive Directors based on corporate and individual performance. As for the remuneration of Non- Executive Directors, it will be determined by the entire Board based on the experience and level of responsibilities undertaken by the Non-Executive Directors.

The aggregate annual Directors' fees and other benefits are subject to shareholders' approval at the AGM based on recommendations of the Board. For the FYE 2024, the detailed breakdown of the Directors' fees and other benefits paid to the Directors of the Company and Group are as follows: -

	Company		Group	
Directors	**Fees (RM)**	**Salaries and other emoluments (RM)**	**Fees (RM)**	**Salaries and other emoluments (RM)**
Datuk Jayakumar A/L Panneer Selvam	60,000	0	60,000	0
Dato' Sri Khazali Bin Haji Ahmad	120,000	0	120,000	0
Dato' Sheah Kok Fah	60,000	0	60,000	0
Datuk Mat Noor Bin Nawi	60,000	0	60,000	0
Puan Mohaini Binti Mohd Yusof	120,000	0	120,000	0
Total	**420,000**	**0**	**420,000**	**0**

The remuneration paid to the Chief Executive for the FYE 2024 is disclosed as follows:-

	Company		Group	
Chief Executive	**Fees (RM)**	**Salaries and other emoluments (RM)**	**Fees (RM)**	**Salaries and other emoluments (RM)**
Fang Kok Hong, Peter	0	6,310.94	0	6,310.94
Total	0	**6,310.94**	0	**6,310.94**

Remuneration of Senior Management

The remuneration paid to the Senior Management during the FYE 2024 in bands of RM100,000, are as follows:-

Range of Remuneration	Number of Senior Management
Below RM100,000	2
RM100,001 – RM300,000	3
RM300,001 – RM500,000	-

Due to confidentiality and sensitivity of the remuneration package of the senior management as well security concern, the Board opts not disclose the senior management's remuneration component on named basis.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT AND RISK MANAGEMENT COMMITTEE

Audit and Risk Management Committee

The ARMC is a fundamental element of the Company's governance framework, entrusted with the independent and comprehensive oversight of the financial reporting, audit, and risk management processes. The Committee is exclusively composed of Independent Non-Executive Directors, ensuring impartiality and objectivity in its deliberations and decision-making. To further preserve the integrity and objectivity of the Committee's oversight, the ARMC is chaired by an Independent Director who is not also the Chairman of the Board.

The composition and performance of the ARMC are subject to an annual review as part of the Board Evaluation Assessment, ensuring that the Committee remains independent, effective, and aligned with the Company's governance objectives. Membership of the ARMC is granted solely to Independent Non-Executive Directors who possess the necessary financial literacy, relevant expertise, and a comprehensive understanding of the Company's operations, thereby ensuring the continued efficacy and independence of the Committee.

A primary responsibility of the ARMC is to conduct a thorough review of the performance of the External Auditor ("**EA**"), including an assessment of their independence and ability to effectively discharge their responsibilities. In addition, the ARMC undertakes an annual evaluation of the quality of the audit process. This evaluation encompasses the adequacy of resources and experience available to the EA, the quality of the services provided, the level of communication with the ARMC, the nature and extent of non-audit fees, and the overall objectivity and professionalism demonstrated by the EA.

Upon completion of a rigorous assessment and confirmation that the EA has fulfilled their duties satisfactorily, the ARMC has recommended the re-appointment of the EA for approval at the forthcoming AGM.

Risk Management and Internal Control Framework

The Board remains fully committed to establishing and upholding a comprehensive and robust risk management and internal control framework. This framework is crucial in safeguarding the Company's assets, ensuring regulatory compliance, and supporting the achievement of the Company's long-term strategic objectives. The ARMC plays an integral role in overseeing the identification, evaluation, and management of material risks while ensuring the effectiveness of the Company's risk management strategies and internal control mechanisms.

The ARMC meets quarterly to review the internal audit reports, assessing the findings and management's responses to ensure that any identified issues are addressed promptly and effectively. This process ensures that corrective actions are taken in a timely manner, minimizing the impact of potential risks. In addition, the ARMC regularly evaluates the effectiveness of the Group's internal control systems, ensuring that controls remain relevant and robust in the face of evolving risks. The ARMC also plays a key role in approving the annual internal audit plan, ensuring that audit activities are aligned with the Group's risk profile and objectives.

Further details of the Risk Management and Internal Control Framework of the Group are disclosed in the Company's Annual Report under Statement of Risk Management and Internal Control.

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

EFFECTIVE COMMUNICATION WITH STAKEHOLDERS

The Company is dedicated to maintaining an open and transparent communication channel with its stakeholders, with the objective of providing a clear and accurate picture of the Group's performance and financial position.

The primary communication channels employed by the Company to disseminate information in a timely manner include its official website, announcement to Bursa Securities and general meetings. These platforms ensure that stakeholders have equal access to material information, in line with the requirements set forth by Bursa Securities' Corporate Guidelines.

The Company's website at www.cuscapi.com features a dedicated Investor Relations section where stakeholders can access essential corporate information, including the Annual Reports. These reports provide a detailed account of how the Company delivers value to its stakeholders. In addition, stakeholders are encouraged to reach out with inquiries or suggestions via the email address provided in the Contact Us section. Besides, the Board is committed to promptly announcing material information via Bursa Securities, and these announcements are subsequently made available in the Investor Relations section of the website, to enhance transparency and strengthens the Company's Investor Relations function.

Furthermore, the Board views annual and extraordinary general meetings as vital opportunities to engage with shareholders directly, fostering open communication and providing a platform for stakeholders to ask questions, express concerns, and gain insights into the Company's strategic direction and performance.

CONDUCT OF GENERAL MEETINGS

The AGM and other general meetings serve as crucial platforms for shareholders to engage with the Board of Directors and Senior Management. These meetings provide an avenue for open dialogue, allowing shareholders to voice concerns, seek clarifications, and gain insights into the Company's business operations, governance framework, and financial performance. Additionally, the Board values these interactions as an opportunity to address shareholder concerns and strengthen corporate accountability.

In adherence to good governance practices, the AGM notice and Annual Report are distributed to shareholders at least 28 days prior to the meeting. This ensures that shareholders have ample time to review the Group's financial and operational performance, assess the proposed resolutions, and prepare any queries for discussion.

During the meeting, all resolutions set out in the Notice of the AGM will be subjected to electronic poll voting. Shareholders will receive detailed guidance on the voting procedures from the appointed poll administrator before casting their votes. An independent scrutineer will oversee the voting process to ensure transparency and integrity. The final voting results and the outcomes of the general meeting will be announced to Bursa Securities on the same day.

STATEMENT OF COMPLIANCE

The Company has largely adhered to the MCCG for the FYE 2024, with the exception of certain departures, which are detailed in the CG Report.

The Board remains committed to continuously strengthening corporate governance practices and procedures across the Group to uphold transparency, accountability, and the interests of both shareholders and stakeholders.

This Statement was approved by the Board of Directors on 28 April 2025.

ADDITIONAL COMPLIANCE **INFORMATION DISCLOSURES**

AUDIT FEE AND NON-AUDIT FEES

During the financial year ended 31 December 2024 ("FYE 2024"), the amount of audit fee and non-audit fee paid or payable to the Company's External Auditors by the Group and the Company respectively as follows:-

Type of fees	Group (RM)	Company (RM)
Audit fees	333,616	95,000
Non-audit fees	5,000	5,000
Total	338,616	100,000

MATERIAL CONTRACTS

There was no material contract outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest during the FYE 2024.

UTILISATION OF PROCEEDS

During the financial year ended 31 December 2024, there was no proceed raised by the Company from any corporate proposals.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

There was no RRPT of a revenue or trading nature entered by the Company or its subsidiaries during the FYE 2024.

DIRECTORS' **RESPONSIBILITY STATEMENT**

IN RESPECT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FYE 2024")

The Board of Directors of Cuscapi Berhad acknowledges its responsibility for ensuring that the financial statements of the Company and its subsidiaries are prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) and the requirements of the Companies Act in Malaysia. The Board are committed to upholding high standards of financial reporting, corporate governance, and transparency to safeguard the interests of shareholders and stakeholders.

In fulfilling their responsibilities, the Directors have exercised due diligence in selecting and applying appropriate accounting policies that are consistently implemented. They have exercised sound judgments and prudence in making estimates to ensure that the financial statements reflect a true and fair view of the financial position, financial performance, and cash flows of the Company and the Group. Additionally, the Board has taken necessary measures to maintain proper accounting records in accordance with statutory requirements and has established robust internal controls and risk management frameworks to safeguard against fraud or other irregularities.

The financial statements also have been prepared on a going concern basis, as the Board reasonably believes that the Company and the Group possess sufficient resources to continue operating in the foreseeable future. Furthermore, the Directors have implemented an effective system of internal controls and compliance measures to ensure adherence to applicable laws and regulations, thereby promoting accountability and transparency within the Company and the Group.

This Statement was approved by the Board of Directors on 28 April 2025.

STATEMENT OF RISK MANAGEMENT **AND INTERNAL CONTROL**

1. INTRODUCTION

The Malaysian Code of Corporate Governance requires listed companies to maintain a sound Risk Management system and Internal Control to safeguard shareholders' investments and Group assets. In addition, the Listing Requirements of Bursa Malaysia Securities Berhad require directors of listed companies to include a statement in the annual reports on the state of their Risk Management and Internal Control on a group basis.

The Group has recognised and established Risk Management, and Internal Control procedures in discharging its stewardship responsibilities are primarily in accordance with the guidance provided in the "Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers". These procedures, which are subject to continuous review by the Board, provide a systematic and ongoing process for identifying, evaluating and managing the significant business risks faced by the Group that may affect the achievement of its business objectives.

In recognition of this responsibility, the Board of Directors of Cuscapi Berhad ("**the Board**") hereby issues the following statement, which is prepared in accordance with these requirements.

2. BOARD RESPONSIBILITY

The Board recognises the importance of a sound framework of Risk Management and Internal Control for good corporate governance and safeguarding the shareholders' interests. Towards this end, the Board is committed to maintaining a sound system of Risk Management and Internal Control for the Group and ensuring its continued effectiveness, adequacy and integrity through a process of periodic review.

The Board has delegated the responsibility of undertaking this periodic review process to the Audit and Risk Management Committee ("**ARMC**"). The delegation of responsibility is defined in the ARMC's Terms of Reference. However, the Board as a whole remains ultimately responsible for the effectiveness, adequacy and integrity of the system of risk management and internal controls.

The Board maintains full control over strategic, financial, organisational and compliance issues and has put in place an organisation with lines of responsibility, clear segregation of duties and appropriate delegation of authority. The Board has delegated to the Senior Management the implementation of the Risk Management and Internal Control system within an established framework throughout the Group.

The Board also acknowledges the need to establish an ongoing process for identifying, evaluating and managing significant risks faced by the Group and regularly reviewing this process in conjunction with the "Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers".

3. CONTROL STRUCTURE & RISK MANAGEMENT FRAMEWORK

During the financial year ended 31 December 2024, the Chief Executive Officer in charge of the day-to-day management of the Company following the instructions and orders given by the Board. The Chief Executive Officer sets the framework of the internal control environment by providing leadership and direction to senior managers and reviewing how they control the business. This control is exercised through Senior Management in respect of commercial, financial and operational aspects of the Company. The Chief Executive Officer and Senior Management meet regularly in respect of such matters.

The Board fully supports the contents of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers and through the ARMC continually reviews the adequacy and effectiveness of the Risk Management processes in place within the various operating units to strengthen the Risk Management functions across the Group.

Risks may include strategy, financial, operational, compliance, or external risks, such as country, market, currency, or regulatory risk.

Management also acknowledges its responsibility for the management of risks, for developing, operating and monitoring the system of internal control and assuring the Board that it has done so under the policies adopted by the Board. The Board and the Management also recognise and acknowledge that the development of effective risk management and internal control system is an ongoing process and, to this end, maintains a continuous commitment to strengthening the existing internal control environment of the Group.

4. INTERNAL AUDIT FUNCTION

The Internal audit function assesses the efficiency and appropriateness of operations and examines the functioning of internal control. In addition, the internal audit seeks to ensure the reliability of financial and operational reporting, compliance with applicable laws and regulations, and proper management of the Company's assets.

Internal audit is independent of the operational management and is performed by an external service provider. In a desire to maintain total independence in the management of the internal control environment and remain in compliance with the Bursa Malaysia Securities Berhad Listing Requirements, the Company has appointed Crowe Governance Sdn Bhd to manage the Company's internal audit function on an outsourced basis.

Crowe Governance Sdn Bhd reports independently and directly to the ARMC in respect of the internal audit function. The ARMC, together with Crowe Governance Sdn. Bhd agrees on the scope and planned internal audit activity annually, and all audit findings arising therefrom are reported to the ARMC quarterly if possible.

Follow-up reviews are also carried out to assess the implementation status of management action plans based on internal audit recommendations. The results of these follow up reviews are also highlighted to the ARMC.

5. OTHER KEY INTERNAL CONTROL ELEMENTS

Apart from the risk management framework and internal audit, the other key elements of the Group's system of internal control are stated as below:

Board Meetings

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Chief Executive Officer and the Financial Controller lead the presentation of board papers and comprehensively explain pertinent issues. In arriving at any decision, on the recommendation by the management, a thorough deliberation and discussion by the Board is a prerequisite. Besides, the Board is kept updated on the Group's activities and operation regularly.

Organisational Structure with Formally Defined Responsibility Lines and Delegation of Authority

There is an organisational structure with formally defined responsibility lines and authorities to facilitate quick response to changes in the evolving business environment, adequate supervision of day-to-day business conduct and accountability for operational performance. The procedures include establishing authority limits for all aspects of the business, which is subject to periodic review throughout the year as to their implementation and continuing suitability.

Group Policies and Guidelines

The documented policies and procedures form an integral part of the internal control system to safeguard shareholders' investment and the Group's assets against material losses and ensure complete and accurate financial information. The internal procedures and policies are clearly documented in manuals and reviewed and revised periodically to meet changing business, operational and statutory reporting needs. This procedure and policies ensure proper documentation, authorisations and effective control over operating units within the Group.

Operating manuals are also available within the Group, and these set out policies and procedures for day-to-day operations and act as guidance for employees on the necessary steps to be taken in a given set of circumstances. The manuals enable tasks to be carried out with minimal supervision.

Formalised Strategic Planning and Operating Plan Processes

The Group undertakes a comprehensive business planning and budgeting process each year to establish plans and targets against which performance is monitored on an ongoing basis. Key business risks are identified during the business planning process and are reviewed regularly during the year. A detailed budgeting process has been implemented in the Group where each department/business unit prepares a budget for the upcoming financial year for the approval of the Board. The budget is monitored, and significant variances are followed up by the respective Management.

5. OTHER KEY INTERNAL CONTROL ELEMENTS (CONTINUED)

Reporting and Review

Adequate financial and operational information systems are in place to capture and present timely and pertinent internal business information. A clear reporting structure ensures financial (e.g. Monthly management accounts and variance reporting) and operational reports (Weekly sales and collection report, HR report etc.) are periodically prepared and presented to management for discussion and review on a timely basis. In addition, scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues.

Monitoring

The Group monitors compliance with its internal controls through management reviews and internally reviewed reports by key personnel. Regular internal audit visit is conducted on the key activities of the Group's business and functional units to monitor compliance with procedures and to assess the adequacy and effectiveness of internal control.

Procedures and Control Environment

Control procedures and environments at Group and individual business unit levels have been established. Established control activities for day-to-day financial and operational activities are in place, covering preventive controls, predictive controls, manuals controls, computer controls and management controls. These include top-level financial and operating performance reviews, authorisations, verifications, reconciliation, physical controls over assets, segregation of duties, and controls over information systems.

In addition to internal financial controls, the directors have ensured that safety and health regulations, environmental controls and political risks have been considered and complied with by the Group.

Quality and Ability of Employee

Every employee of the Group is contractually bound to observe prescribed standards of business ethics in the manner of conducting themselves at work and their relationships with external parties such as customers and suppliers. The Group expects each employee to conduct himself/herself with integrity and objectivity and not to place himself/herself in a position of conflict of interest. The competence of staff personnel is maintained through a structured recruitment process, performance measurement and rewarding system and a wide variety of training and development programmes.

Human resource policies have been established, and it reflects the Group's objective on human resource management with the emphasis on development in areas relating to succession planning and competency. Policies also include code of conduct and performance management as control measures on staff's overall conduct and performance. In addition, ongoing internal and external training is provided to improved employees' technical and non-technical competence and skills.

6. WEAKNESSES IN INTERNAL CONTROL

Management continues to take appropriate measures and maintains an ongoing commitment to continuously monitor the Group's control environment and processes to strengthen its internal control structure and the management of risks.

The Board of Directors is of the opinion that there is no significant weakness in the system of internal control, contingencies or uncertainties that could result in material loss and adversely affect the Group.

7. CONCLUSION

The Board believes that the existing internal control system is adequate to achieve the Group's business objectives to safeguard shareholders' investments and the Group's assets. However, the Board will continuously assess the adequacy of the Group's system of internal control and make improvements and enhancements to the system as and when necessary.

This statement is approved by the Board of Directors dated 28 April 2025.

AUDIT AND **RISK MANAGEMENT COMMITTEE REPORT**

The Audit and Risk Management Committee ("**ARMC**") remains committed to upholding the highest standards of corporate governance, financial integrity, and risk management. It plays an important role in assisting the Board in fulfilling their oversight responsibilities related to financial reporting, internal controls, risk management and compliance with regulatory requirements. The ARMC operates under a clearly defined terms of reference ("**TOR**") which published under the Investor Relation's section of the Company's website at www.cuscapi.com.

COMPOSITION AND MEETINGS

In accordance with Paragraph 15.09 of Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the TOR for ARMC, the committee consists of three (3) members, all of whom are non-executive directors. In addition, the composition of the ARMC is fully aligned with Practice 9.4 of Malaysian Code on Corporate Governance 2021 ("**MCCG**") as all its members are independent directors.

The ARMC is composed of the following members:

Name	Position	Designation
Datuk Mat Noor Bin Nawi	Chairman	Independent Non-Executive Director
Dato' Sheah Kok Fah	Member	Independent Non-Executive Director
Puan Mohaini Binti Mohd Yusof	Member	Independent Non-Executive Director

To uphold the independence of oversight functions, the ARMC Chairman is an independent director and does not serve as the Chairman of Board of Directors. Additionally, no alternate directors have been appointed as ARMC members, further reinforcing the committee's independence and objectivity.

The ARMC acknowledges Practice 9.2 of the MCCG, which recommends the establishment of a policy requiring former audit partners of the Group's external auditors to observe a cooling-off period of at least three (3) years before being eligible for appointment as an ARMC member. In line with this best practice, the Company confirms that none of the current ARMC members are former audit partners of the external auditors engaged by the Group.

During the financial year, the ARMC convened five (5) meetings, with attendance details as follows:

Name	Attendance
Datuk Mat Noor Bin Nawi	5/5
Dato' Sheah Kok Fah	5/5
Puan Mohaini Binti Mohd Yusof	5/5

The ARMC convened its meetings on a quarterly basis and as necessary. According to the TOR, a quorum is formed with the presence of at least two (2) of its members, the majority of whom are independent directors. Each ARMC meeting was conducted in a structured manner, with a predefined agenda circulated to the members with adequate notice to ensure effective deliberation.

To facilitate direct communication and ensure comprehensive discussions on financial matters, the Chief Executive Officer and Financial Controller were invited to attend all the ARMC meetings. In addition, the Company Secretaries and their representatives were present at all ARMC meetings to record proceedings and prepare the meeting minutes. The Internal Auditors and External Auditors were invited to attend selected ARMC meetings to present the audit plan, audit findings and Audited Financial Statements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF THE WORK OF THE ARMC

During the financial year, the ARMC carried out the following activities to discharge its functions and duties:

1. **Financial Reporting and Compliance**

    (a) Reviewed and deliberated on all quarterly financial results and annual audited financial statements before recommending them to the Board for approval; and

    (b) Engaged with Management to assess the accounting principles, standards and critical judgments applied, with a focus on key accounting estimates affecting financial outcomes.

2. **Internal Audit ("IA") and Risk Management**

    (a) Accessed internal audit reports, findings and recommendations, and ensured the timely implementation of corrective actions;

    (b) Reviewed and approved the annual internal audit plan, and ensured comprehensive coverage of key risks areas;

    (c) Monitored the effectiveness of the internal audit function and evaluated its role in providing independent assurance on risk management and internal controls;

    (d) Reviewed and approved the Statement of Risk Management and Internal Control to ensure compliance with Bursa Securities' MMLR requirements; and

    (e) Strengthening the Group's internal controls framework by aligning it with the best practices.

3. **External Audit**

    (a) Reviewed and approved the external audit plan, scope and audit fees to ensure its alignment with the Group's operational and financial risks;

    (b) Examine and discussed key audit matters highlighted in the external audit report to understand the basis of assessments and their potential impact on the Group's financial statements;

    (c) Accessed the external auditor's findings, recommendations and management's responses, to ensure all audit issues were adequately addressed and that corrective measures were properly implemented;

    (d) Conducted private sessions with external auditors, without the management's presence, to facilitate open discussions on audit related concerns; and

    (e) Evaluate the independence and objectivity of the external auditors by reviewing their declaration of independence and confirming the absence of any conflicts of interest or undue influence that could compromise their professional judgement.

4. **Others**

    (a) Reviewed and assessed compliance with the MCCG and recommend enhancement to governance practices where necessary;

    (b) Monitored and reviewed related party transactions and potential conflict of interest situations, if any to ensure transparency and compliance with regulatory requirements;

    (c) Reviewed the minutes of the meeting of ARMC;

    (d) Reviewed quarterly report prior to recommendation to the Board for approval; and

    (e) Conducted self-assessments on the effectiveness of the ARMC and recommending improvement to enhance its governance role.

INTERNAL AUDIT FUNCTION

The Company's internal audit function is designed to deliver independent assurance on the efficacy of its operations and internal controls. This function operates independently and reports directly to the ARMC.

For the current year under review, the internal audit function was outsourced to an independent service provider, Crowe Governance Sdn. Bhd. ("**Crowe Governance"** or "**IA**"). The primary focus of IA focusses on accessing operational efficiency, verifying compliance with relevant policies and regulations and identifying any weaknesses in internal control while providing actionable recommendations.

Crowe Governance conducted comprehensive reviews of the internal controls at selected subsidiaries, concerning the following key areas:

- Sales, billings, collection and credit control on food and beverages operation (Malaysia)
- Maintenance and support
- Research & Development
- Product Lifecycle Management

The ARMC also reviews all matters pertaining to the appointment, resignation and proposed audit fees of the internal audit function and subsequently reports its findings to the Board for final approval.

The professional fee incurred by the internal audit function for the financial year ended 2024 amounted to RM42,548.33.

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal Activities

The principal activities of the Company consist of investment holding and provision of management services to its subsidiaries.

The principal activities of its subsidiaries are mainly software development, provision of project management, business and IT related consultancy services, provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, interactive devices solutions, provision of a contract centre for outsourcing services, operate a cryptocurrency exchange in Philippines, investment holding activities, computer programming, information service and other services related to the computer, data processing, leasing and other related activities.

Financial Results

	Group RM	Company RM
Profit/(loss) for the financial year	13,360,003	(11,280,657)
Attributable to:		
Owners of the parent	13,380,369	(11,280,657)
Non-controlling interests	(20,366)	-
	13,360,003	(11,280,657)

Reserves and Provisions

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

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial period. The Directors do not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

There was no issuance of shares and debentures during the financial year.

Options Granted over Unissued Shares

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

Directors

The Directors of the Company in office since the beginning of the current financial year until the date of this report are:

Datuk Jayakumar A/L Panneer Selvam*
Dato' Sheah Kok Fah*
Dato' Sri Khazali Bin Haji Ahmad
Datuk Mat Noor Bin Nawi
Puan Mohaini Binti Mohd Yusof

* *Director of the Company and of its subsidiaries*

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Chow Jia Wei	
Dato' Fadzli Shah Bin Anuar	
Eng Szi Lok	
Imee Tamayo	
Joana France Cruz	
Leslie Ann Parcon	
Simon Averilla	
Hana Pertiwi	(Appointed on 24 April 2024)
Lim Sze Yean	(Resigned on 29 February 2024)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 01.01.2024	Addition	Disposal	At 31.12.2024
Interests in the Company				
Direct Interests:				
Datuk Jayakumar A/L Panneer Selvam	2,978,900	-	-	2,978,900
Dato' Sheah Kok Fah	500,000	-	-	500,000
Indirect Interests:				
Datuk Jayakumar A/L Panneer Selvam	72,877,700	-	55,000,000	17,877,700

**Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of the shareholdings in Ultimate Quality Success Sdn. Bhd. and Rosetta Partners Sdn. Bhd.*

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has 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 Directors as shown below) 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.

Directors' Benefits (Cont'd)

The details of the Directors' remuneration for the financial year ended 31 December 2024 are set out below:

	Group RM	Company RM
Directors of the Company:		
Executive Directors		
Directors' fees	180,000	180,000
Allowances	10,000	10,000
	190,000	190,000
Non-Executive Directors		
Directors' fees	240,000	240,000
Allowances	15,000	15,000
	255,000	255,000
	445,000	445,000

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

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all 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 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 have been written down to an amount which the current assets might be expected so to realise.

Other Statutory Information (Cont'd)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount of bad debts written off or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

(iv) 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.

(c) 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 of the Group or of the Company which has arisen since the end of the financial year other than as disclosed in the financial statements.

(d) In the opinion of the Directors:

(i) no contingent liability 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 will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due, other than as disclosed in the financial statements;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

Subsidiaries

The details of the subsidiaries are disclosed in Note 8 to the financial statements.

Significant Event

The details of the significant event are disclosed in Note 35 to the financial statements.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 are as follow:

	Group RM	Company RM
Statutory audit	333,616	95,000
Other services	5,000	5,000
	338,616	100,000

Auditors

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

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (Formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

DATUK JAYAKUMAR A/L PANNEER SELVAM

DATUK MAT NOOR BIN NAWI

KUALA LUMPUR

28 April 2025

STATEMENT **BY DIRECTORS**
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of Cuscapi Berhad, state that, in their opinion, the accompanying financial statements 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 the Company as at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

DATUK JAYAKUMAR A/L PANNEER SELVAM

DATUK MAT NOOR BIN NAWI

KUALA LUMPUR

28 April 2025

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

I, Datuk Jayakumar A/L Panneer Selvam, being the Director primarily responsible for the financial management of Cuscapi Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements 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 the)
abovenamed Datuk Jayakumar A/L)
Panneer Selvam at Kuala Lumpur in the)
Federal Territory on 28 April 2025

DATUK JAYAKUMAR A/L PANNEER SELVAM

Before me,

No. W790
ZAINUL ABIDIM BIN AHMAD
COMMISSIONER FOR OATHS

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF CUSCAPI BERHAD
REGISTRATION NO.: 197801006160 (43190-H) (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cuscapi Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit and 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 material accounting policies, as set out on pages 81 to 177.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance 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 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 financial 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 (Cont'd)

Key Audit Matters	How we addressed the key audit matters
1. Classification and Measurement of Digital Asset Zetrix Holdings As at 31 December 2024, the carrying amount of digital assets amounted to RM5,719,430. The Group and the Company hold Zetrix tokens ("Zetrix") received through a blockchain-based smart contract reward system, and has classified them as inventory under MFRS 102. Significant judgement is required in assessing whether the tokens meet the criteria for inventory or should instead be classified as intangible assets under MFRS 138. We considered this a key audit matter due to the complexity and subjectivity involved in determining the appropriate accounting classification, which affects the basis of measurement and future impairment considerations. Further details on the accounting treatment and financial statements disclosures can be found in Note 2(c), Note 3(j), and Note 14.	• We have assessed the appropriateness of the accounting classification with reference to MFRS 102 and MFRS 138; • We have evaluated management's rationale for recognising rewards of Zetrix at zero cost and ensuring consistency with accounting policies and MFRS requirements; • We have inspected blockchain transaction records and confirming token holdings; • We have evaluated the existence of a reliable fair value or active market and assessed the net realisable value ("NRV") accordingly; • We have obtained independent confirmations of token holdings; and • We have reviewed the disclosures made in the financial statements in respect of Zetrix holdings.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CUSCAPI BERHAD
REGISTRATION NO.: 197801006160 (43190-H) (INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
2. Fair value of unquoted shares As at 31 December 2024, the Group holds a 20% equity interest in KOMMS, previously classified as an investment in unquoted shares under FVTOCI with a carrying amount of RM13,351,000. The fair value was determined by independent valuer engaged by management based on a discounted cash flow model incorporating management's assumptions mainly on projected revenue and market share. During the audit, management reassessed the valuation assumptions following auditor challenges and concluded that the investment should be impaired, resulting in a carrying value of RM100. This was a significant area of audit focus due to: • The high level of estimation uncertainty in determining KOMMS's fair value. • The impact of competitive risks in the e-Testing industry. • The absence of binding contracts securing future revenue streams. Further details on the accounting treatment and financial statements disclosures can be found in Note 2(c), and Note 10.	• We have reviewed and evaluated the fair value methodology, including assumptions used in the discounted cash flow model; • We have reviewed and discussed with independent valuer engaged by the management on inputs and assumptions, including the appropriateness of valuation methodology; • We have assessed and evaluated the competency and objectivity of the independent valuer; • We have reviewed and challenged the reasonableness of projected market share and revenue assumptions, given the absence of contractual guarantees; • We have assessed management's impairment assessment and concluded that it was appropriate based on the available evidence; and • We have verified the adequacy of disclosures in the financial statements regarding to the impairment and key valuation assumptions.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company 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 Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, 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 the 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 scepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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

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 scepticism throughout the audit. We also: (Cont'd)

- 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.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

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

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants

TAN GIM-HENG
Approved Number: 03595/09/2025 J
Chartered Accountant

KUALA LUMPUR

28 April 2025

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	320,986	658,650	67,915	227,449
Investment property	5	12,100,000	10,500,000	12,100,000	10,500,000
Right-of-use assets	6	2,255,468	477,462	1,782,659	335,304
Intangible assets	7	29,944,444	9,527,778	-	-
Investment in subsidiaries	8	-	-	3,541,505	16,843,051
Investment in associate	9	7,937,401	-	7,937,401	-
Other investments	10	10,827	13,361,935	10,727	10,935
Goodwill on consolidation	11	988,390	988,390	-	-
Trade receivables	12	474,500	1,130,332	-	-
		54,032,016	36,644,547	25,440,207	27,916,739
Current Assets					
Inventories	13	1,073,655	956,155	-	-
Digital assets	14	5,719,430	5,719,430	5,719,430	5,719,430
Trade and other receivables	12	7,767,405	20,296,446	1,690,199	12,723,811
Tax recoverable		264,721	179,539	65,459	65,459
Cash and bank balances	15	2,977,455	583,620	90,599	85,537
Total current assets		17,802,666	27,735,190	7,565,687	18,594,237
Total assets		71,834,682	64,379,737	33,005,894	46,510,976

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
EQUITY					
Share capital	16	203,374,573	203,374,573	203,374,573	203,374,573
Reserves	17	(2,970,401)	10,506,491	(375,108)	(374,900)
Accumulated losses		(147,038,466)	(160,396,188)	(191,356,797)	(180,076,140)
Equity attributable to owners of the parent		53,365,706	53,484,876	11,642,668	22,923,533
Non-controlling interests		(64,151)	(66,432)	-	-
Total equity		53,301,555	53,418,444	11,642,668	22,923,533
LIABILITIES					
Non-Current Liabilities					
Retirements benefits obligations		100,853	155,658	-	-
Lease liabilities	6	1,538,801	44,129	1,154,406	-
		1,639,654	199,787	1,154,406	-
Current Liabilities					
Trade and other payables	18	15,493,702	10,046,462	19,564,756	23,127,318
Contract liabilities	19	226,741	77,017	-	-
Lease liabilities	6	748,263	556,737	644,064	460,125
Tax payable		424,767	81,290	-	-
		16,893,473	10,761,506	20,208,820	23,587,443
Total liabilities		18,533,127	10,961,293	21,363,226	23,587,443
Total equity and liabilities		71,834,682	64,379,737	33,005,894	46,510,976

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		01.01.2024 to 31.12.2024 (12 months)	01.07.2022 to 31.12.2023 (18 months)	01.01.2024 to 31.12.2024 (12 months)	01.07.2022 to 31.12.2023 (18 months)
	Note	RM	RM	RM	RM
Revenue	20	43,611,771	28,386,012	982,226	12,717,780
Cost of sales	21	(25,217,100)	(15,916,742)	-	(4,060,570)
Gross profit		18,394,671	12,469,270	982,226	8,657,210
Other income	22	2,427,589	1,174,257	16,013,948	1,175,743
Administrative expenses		(5,275,184)	(9,950,974)	(16,391,907)	(8,018,819)
Net losses on impairment of financial assets		(645,024)	(884,758)	(10,758,343)	(25,853,268)
Operating profit/(loss)		14,902,052	2,807,795	(10,154,076)	(24,039,134)
Finance income	23	15,776	34,298	2,048	23,855
Finance costs	24	(164,481)	(681,174)	(59,904)	(194,854)
Share of result of associate	9	(1,062,599)	-	(1,062,599)	-
Profit/(Loss) before tax	25	13,690,748	2,160,919	(11,274,531)	(24,210,133)
Tax expense	26	(330,745)	(248,679)	(6,126)	-
Profit/(loss) for the financial year/period		13,360,003	1,912,240	(11,280,657)	(24,210,133)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		01.01.2024 to 31.12.2024 (12 months)	01.07.2022 to 31.12.2023 (18 months)	01.01.2024 to 31.12.2024 (12 months)	01.07.2022 to 31.12.2023 (18 months)
		RM	RM	RM	RM
Other comprehensive (loss)/income:					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		(160,109)	620,915	-	-
Items that are not or may not be reclassified subsequently					
Fair value adjustment on other investments		(13,316,783)	(1,296,846)	(208)	972,286
Other comprehensive (loss)/income for the financial year/period		(13,476,892)	(675,931)	(208)	972,286
Total comprehensive (loss)/income for the financial year/period		(116,889)	1,236,309	(11,280,865)	(23,237,847)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		01.01.2024 to 31.12.2024 (12 months)	**01.07.2022 to 31.12.2023 (18 months)**	**01.01.2024 to 31.12.2024 (12 months)**	**01.07.2022 to 31.12.2023 (18 months)**
	Note	**RM**	**RM**	**RM**	**RM**
Profit/(Loss) for the financial year/period attributable to:					
Owners of the parent		13,380,369	1,895,502	(11,280,657)	(24,210,133)
Non-controlling interests		(20,366)	16,738	-	-
		13,360,003	1,912,240	(11,280,657)	(24,210,133)
Total comprehensive (loss)/income for the financial year/period					
Owners of the parent		(96,523)	1,219,571	(11,280,865)	(23,237,847)
Non-controlling interests		(20,366)	16,738	-	-
		(116,889)	1,236,309	(11,280,865)	(23,237,847)
Earning per share					
Basic/diluted gain per share (sen)	28	1.42	0.20	-	-

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	<----Attributable to Owners of the Parent----							
	<----Non-Distributable----							
	Share capital RM	Foreign Currency Translation Reserve RM	Statutory Reserve RM	Fair Value Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interest RM	Total Equity RM
Group								
At 1 January 2024	203,374,573	12,947,103	222,464	(2,663,076)	(160,396,188)	53,484,876	(66,432)	53,418,444
Profit for the financial year	-	-	-	-	13,380,369	13,380,369	(20,366)	13,360,003
Exchange translation differences for foreign operations	-	(160,109)	-	-	-	(160,109)	-	(160,109)
Other comprehensive loss	-	-	-	(13,316,783)	-	(13,316,783)	-	(13,316,783)
Total comprehensive (loss)/profit for the financial year	-	(160,109)	-	(13,316,783)	13,380,369	(96,523)	(20,366)	(116,889)
Transaction with owners								
Changes in ownership interests in a subsidiary	-	-	-	-	(22,647)	(22,647)	22,647	-
At 31 December 2024	203,374,573	12,786,994	222,464	(15,979,859)	(147,038,466)	53,365,706	(64,151)	53,301,555

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share capital RM	Foreign Currency Translation Reserve RM	Statutory Reserve RM	Fair Value Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interest RM	Total Equity RM
	<-----Attributable to Owners of the Parent				----->			
	<-----Non-Distributable			----->				
Group								
At 1 July 2022	203,374,573	12,326,188	222,464	(1,761,045)	(161,896,875)	52,265,305	(83,170)	52,182,135
Profit for the financial period	-	-	-	-	1,895,502	1,895,502	16,738	1,912,240
Exchange translation differences for foreign operations	-	620,915	-	-	-	620,915	-	620,915
Other comprehensive loss	-	-	-	(1,296,846)	-	(1,296,846)	-	(1,296,846)
Total comprehensive income/(loss) for the financial period	-	620,915	-	(1,296,846)	1,895,502	1,219,571	16,738	1,236,309
Transfer of fair value reserve of equity innstruments designated at FVTOCI	-	-	-	394,815	(394,815)	-	-	-
At 31 December 2023	203,374,573	12,947,103	222,464	(2,663,076)	(160,396,188)	53,484,876	(66,432)	53,418,444

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	<---Attributable to Owners of the Parent--->			
	<-----Non-Distributable----->			
	Share capital RM	Fair Value Reserve RM	Accumulated losses RM	Total equity RM
Company				
At 1 January 2024	203,374,573	(374,900)	(180,076,140)	22,923,533
Loss for the financial year	-	-	(11,280,657)	(11,280,657)
Other comprehensive loss	-	(208)	-	(208)
Total comprehensive loss for the financial year	-	(208)	(11,280,657)	(11,280,865)
At 31 December 2024	203,374,573	(375,108)	(191,356,797)	11,642,668
At 1 July 2022	203,374,573	(1,347,186)	(155,866,007)	46,161,380
Loss for the financial period	-	-	(24,210,133)	(24,210,133)
Other comprehensive income	-	972,286	-	972,286
Total comprehensive income/(loss) for the financial period	-	972,286	(24,210,133)	(23,237,847)
At 31 December 2023	203,374,573	(374,900)	(180,076,140)	22,923,533

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Cash Flows From Operating Activities				
Profit/(Loss) before tax	13,690,748	2,160,919	(11,274,531)	(24,210,133)
Adjustments for:				
Depreciation for:				
- Property, plant and equipment	338,084	1,039,085	159,534	534,621
- Right-of-use assets	689,495	1,155,902	558,136	754,436
Amortisation of intangible assets	4,083,334	2,722,222	-	-
Allowance for impairment loss on:				
- Investment in subsidiaries	-	-	13,301,546	6,262,152
- Amount owing by subsidiaries	-	-	10,512,526	19,591,125
- Trade and other receivables	645,024	884,758	-	-
- Slow-moving inventories	160,356	-	-	-
Inventories written off	24,611	221,322	-	-
Dividend income	-	(490,338)	-	(490,338)
Finance income	(15,776)	(34,298)	(2,048)	(23,855)
Finance costs	164,481	681,174	59,904	194,854
Bad debts written off	628,887	410,872	-	405,000
Bad debts recovered	(405,000)	-	(405,000)	-
Gain on disposal of property, plant and equipment	(17,560)	(80,984)	-	-
Loss on early termination of leases	-	267,576	-	-
Waiver of debts	-	-	-	-
Share of results of associate	1,062,599	-	1,062,599	-
Fair value gain on investment property	(1,600,000)	(387,600)	(1,600,000)	(387,600)
Unrealised loss/(gain) on foreign exchange differences	22,070	62,092	(13,209,520)	2,139,072
Operating profit/(loss) before working capital changes carried forward	19,471,353	8,612,702	(836,854)	4,769,334

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Operating profit/(loss) before working capital changes changes brought forward	19,471,353	8,612,702	(836,854)	4,769,334
Changes in working capital:				
Inventories	(302,227)	289,690	-	-
Digital assets	-	(5,719,430)	-	(5,719,430)
Trade and other receivables	12,085,178	(18,508,655)	10,225,527	(32,499,760)
Trade and other payables	8,557,159	(17,577,502)	(196,489)	(3,221,277)
Cash flows generated from/ (used in) operations	39,811,463	(32,903,195)	9,192,184	(36,671,133)
Interest paid	(164,481)	(646,614)	(59,904)	(194,854)
Net income tax paid	(72,450)	(213,230)	(6,126)	-
Net cash from/(used in) operating activities	39,574,532	(33,763,039)	9,126,154	(36,865,987)
Cash flows from investing activities				
Withdrawal of/(Placement for) pledged deposits	-	15,984,171	-	15,904,243
Net advances to subsidiaries	-	-	439,006	5,870,723
(Repayment to)/Advances from a Director	(3,015,000)	3,020,000	-	-
Purchase of property, plant and equipment	(11,024)	(80,692)	-	-
Purchase of intangible assets	(24,500,000)	-	-	-
Acquisition of associate	(8,595,000)	-	(8,595,000)	-
Proceeds from disposal of property, plant and equipment	21,895	212,824	-	-
Proceeds from disposal of quoted shares	-	16,138,806	-	16,138,806

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Cash flows from investing activities (Cont'd)				
Advances to an associate	(300,000)	-	(300,000)	-
Subscription of shares in newly incorporated subsidiaries	-	-	-	(9)
Dividends received from other investments	-	490,338	-	490,338
Interest received	15,776	34,298	2,048	23,855
Net cash (used in)/from from investing activities	(36,383,353)	35,799,745	(8,453,946)	38,427,956
Cash flows from financing activities				
Payments of lease liabilities, representing net cash used in financing activities	(735,118)	(2,159,518)	(667,146)	(1,499,493)
Net changes in cash and cash equivalents	2,456,061	(122,812)	5,062	62,476
Cash and cash equivalents brought forward	583,620	768,524	85,537	25,195
Effect of changes in exchange rate	(62,226)	(62,092)	-	(2,134)
Cash and cash equivalents carried forward	2,977,455	583,620	90,599	85,537

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Analysis of cash and cash equivalents:				
Cash and bank balances	2,977,455	583,620	90,599	85,537

Reconciliation of liabilities arising from financing activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Lease liabilities				
At 1 January 2024/ 1 July 2022	600,866	3,607,558	460,125	2,806,792
Cash flows				
- Payments of lease liabilities	(735,118)	(2,159,518)	(667,146)	(1,499,493)
Non-cash flows				
- Additions	2,421,316	111,910	2,005,491	-
- Amount billed	-	(847,174)	-	(847,174)
- Termination	-	(111,910)	-	-
	2,421,316	(847,174)	2,005,491	(847,174)
At 31 December 2024	2,287,064	600,866	1,798,470	460,125

The accompanying notes form an integral part of the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**
31 DECEMBER 2024

1. Corporate Information

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

The registered office of the Company was located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal place of business of the Company is at Level 27 & 28, Block N, Empire City Damansara, No.8, Jalan Damansara PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company consist of investment holding and provision of management services to its subsidiaries.

The principal activities of its subsidiaries are mainly software development, provision of project management, business and IT related consultancy services, provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, interactive devices solutions, provision of a contract centre for outsourcing services, operate a cryptocurrency exchange in Philippines, investment holding activities, computer programming, information service and other services related to the computer, data processing, leasing and other related activities.

Further details of the subsidiaries have been disclosed in Note 8 to the financial statements.

2. Basis of Preparation

(a) Statement of compliance

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

The financial statements of the Group and the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial year:

Amendments to MFRS	
MFRS 7 and MFRS 107	Supplier Finance Arrangements
MFRS 16	Lease Liability in Sale and Leaseback
MFRS 101	Non-current Liabilities with Covenants

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11		1 January 2026
Amendments to MFRS 7 and MFRS 9	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 7 and MFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 18	Presentation and Disclosure in Financial statements	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MRFS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

The initial application of the above-mentioned MFRSs is not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) **Functional and presentation currency**

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

(c) **Significant accounting judgements, estimates and assumptions**

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

<u>Other investments</u>

The Group holds 20% equity interest in Konsortium Multimedia Swasta Sdn. Bhd. ("KOMMS"). The Group has no representation on Board of Directors of KOMMS. On this basis, the Group concludes that it does not has significant influence over KOMMS and thus recognised as other investment.

Where fair values of financial instruments recorded on the statements of financial position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a certain degree of estimation is required in establishing the fair values.

The key estimations include determination of an appropriate discount rate and sales growth rate. Changes in these key assumptions could affect the reported fair value of financial instruments.

The valuation of KOMMS was previously determined using a discounted cash flow model, which relied on the following key assumptions:

(i) Sales Growth Rate: Previously estimated at 6% per annum.
(ii) Discount Rate: 13.08% (2023: 10.85%).
(iii) Projected Market Share: Assumed to be 25% of the total e-Testing market, based on management's expectation of securing contracts through MyEG Services Berhad.

Management has engaged independent valuer in assessing whether KOMMS should continue to be recognised as an investment with recoverable future economic benefits and the valuation of FVTOCI was arrived at RM11.6 million prior to auditor's challenge. After discussions with auditors regarding the validity of the fair value assumptions and the lack of enforceable agreements supporting projected cash flows, management concluded that the investment should be impaired to RM100 as at 31 December 2024 arising from the auditor's challenge. The impairment was recorded as a fair value loss in other comprehensive income ("OCI").

This impairment decision was made following the auditor's challenge regarding:

(i) The absence of binding revenue-sharing agreements securing KOMMS's projected market share.
(ii) The uncertainty in KOMMS's future earnings potential due to industry competition.
(iii) The weak financial position of KOMMS, which remains reliant on shareholder funding.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

<u>Estimation of useful lives and impairment of property, plant and equipment and intangible assets</u>

The Group and the Company review the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Changes in the expected useful lives of property, plant and equipment, and intangible assets could impact future depreciation or amortisation charges.

Property, plant and equipment, and intangible assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the recoverable amount is required. The recoverable amount is higher of an asset's fair value less cost to sell and its value in use. Estimating the value-in-use requires management to make an estimate of the expected future cash flows from the individual assets or the related cash generating unit.

<u>Impairment of goodwill on consolidation</u>

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rate to be applied in the value-in-use amount calculation and assumptions supporting the underlying cash flow projections, including sales growth rate. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

Classification of investment in MX Global Sdn. Bhd. as an associate

The Group invested in Redeemable Convertible Preference Shares ("RCPS") of MX Global Sdn. Bhd. during the financial year. Although the RCPS allotment was formally approved by regulators in January 2025, the subscription agreement was legally binding as at the reporting date.

Management concluded that significant influence existed at year-end, based on substantive rights conferred by the RCPS. These included access to financial and operational information, rights to participate in strategic decisions via shareholder agreements, and representation at board level. The Group also considered the substance and intent of the investment, and the absence of further substantive conditions.

Accordingly, the investment was classified as an associate in accordance with MFRS 128, despite the absence of equity voting rights at the reporting date.

Classification of digital assets

Management has exercised considerable judgement in classifying Zetrix tokens as inventory under MFRS 102 rather than an intangible asset under MFRS 138. Although Zetrix has not been actively traded by the Group during the financial year, the tokens are rewarded through a structured and recurring reward mechanism under a blockchain-based smart contract. These inflows are viewed by management as assets acquired for the purpose of generating future economic benefits through potential strategic disposals.

The tokens are held in a form that is interchangeable and not used in production or consumed during operations (ie. held for trading), meeting the criteria of inventories held for sale in the ordinary course of business. However, given the absence of immediate trading activity and the evolving nature of digital asset strategy, this classification is subject to annual reassessment. Any future shift in management's intent or business model may require reclassification in accordance with applicable financial reporting standards.

Impairment of investment in subsidiaries

Investment in subsidiaries are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the investment's recoverable amount is required. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the Company's investment in subsidiaries and also choose a suitable discount rate in order to calculate the present value of those cash flows.

Determining the loss allowance for trade receivables

Management assesses ECL for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 *Financial Instruments* in assessing the impairment of trade receivables.

In determining the ECL, management uses historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

The ECL on trade receivables as at current reporting date is primarily mainly based upon the historical credit loss experience.

Determining the loss allowance for non-trade receivables

Management assesses the ECL of receivables (other than trade receivables) at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

Lease liabilities

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Management measures the lease liability as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represents management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. Material Accounting Policies

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets.

(ii) **Goodwill on consolidation**

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets.

(b) Investment in associates

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associates are accounted for in the consolidated and the Company's financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

(c) **Foreign currency translation**

(i) **Foreign currency transactions and balances**

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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 retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(m) to the financial statements.

(i) **Recognition and measurement**

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) **Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) **Depreciation**

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Equipment	10% - 25%
Furniture and fittings	15% - 20%
Motor vehicles	20%
Computers	20% - 40%
Renovation	2% - 10%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(e) **Leases**

(i) **As lessee**

The Group and the Company recognise a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The ROU is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU or the end of the lease term.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's and the Company's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or terminate option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option.

(ii) **As lessor**

When the Group or the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other Revenue". 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.

(f) **Investment property**

Investment property is property which is owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured initially at cost, including transaction costs. Subsequently, investment property is measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment property is recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment property is derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(g) **Intangible assets**

(i) **Research and development cost and software development cost**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

(ii) **Intellectual property**

Intangible assets with finite useful lives, which are acquired separately, are measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over the estimated economic useful lives.

(iii) **Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

(iv) **Amortisation**

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful lives (years)
Intellectual property	Straight-line	2-3
Development costs	Straight-line	5
Software	Straight-line	3

(v) **Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(m) to the financial statements on impairment of non-financial assets for intangible assets.

(h) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments); or
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments); or
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- 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 method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

Fair value through other comprehensive income ("FVTOCI")

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all debt instruments not held at FVTPL. ECLs 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 expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). 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").

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience and the economic environment.

Impairment for other receivables and intercompanies balances of the Group and of the Company are recognised based on the general approach using the forward-looking ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised. The Group and the Company define significant increase in credit risk based on past due information, i.e. 180 days after credit term.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the Group and the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the Group and the Company recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the Group and the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost or at FVTPL.

The Group and the Company have financial liabilities at amortised cost only.

Equity instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability by allocating interest income/expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a debt instrument or a financial liability, to the amortised cost of the debt instrument or the financial liability.

(i) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(j) **Inventories and digital assets**

Inventories and digital assets are stated at the lower of cost and net realisable value.

Inventories and digital assets which comprise of point of sales related equipment, components and parts and cryptocurrencies are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average basis and comprises the cost of purchase and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cryptocurrencies

The Group holds Zetrix token, which is classified as inventory under MFRS 102 (Inventories) and is measured at weighted average cost ("WACC"). As per the Group's accounting policy, cryptocurrency rewards received from smart contracts are recorded at zero cost, as they are obtained without consideration.

The Group does not apply fair value measurement for cryptocurrency holdings and does not recognise deferred income for unvested rewards. This approach aligns with MFRS 102's cost-based inventory measurement principles.

(k) **Contract liability**

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(l) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(m) **Impairment of non-financial assets**

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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 other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amounts of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(n) **Share capital**

Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and 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. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(o) **Employee benefits**

(i) **Short term employee benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting 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 is recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) **Defined contribution plans**

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(p) **Revenue recognition**

(i) **Revenue from contracts with customers**

Revenue is recognised when the Group or the Company satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group and the Company recognise revenue from the following major sources:

(a) **Sale of goods and installation services**

Revenue from sales of goods and installation services are recognised at the point in time when control of the goods is transferred to a customer, generally upon delivery of goods.

In measuring the revenue for the sales of goods and installation services, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

(b) **Maintenance works and management services**

Revenue from rendering of maintenance works and management services are recognised over time, when a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

The Group recognises revenue from maintenance services over the contractual period and enhancement services over time using an input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group.

(c) **Trading of digital assets**

Revenue from trading of digital assets are recognised at the point in time when control of the digital assets is transferred to a customer.

(ii) **Other revenue**

(a) **Dividend income**

Dividend income is recognised when the Group and the Company's right to receive payment is established.

(b) **Management fees**

Management fee is recognised on an accrual basis when services are rendered.

(c) **Interest income**

Interest income is recognised on a time-proportion basis using the applicable effective interest rate.

(q) **Income taxes**

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination, that affects neither accounting nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(r) **Segments reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(s) **Contingencies**

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

(t) **Fair value measurement**

Fair value of an asset or a liability is determined as 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 measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

(u) **Earnings per ordinary shares**

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares granted to shareholders.

4. Property, Plant and Equipment

	Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Computers RM	Renovation RM	Total RM
Group						
2024						
At cost						
At 1 January 2024	4,702,639	159,993	1,026,630	3,486,759	2,414,929	11,790,950
Additions	-	-	-	11,024	-	11,024
Transfer from right-of-use assets	-	-	81,850	-	-	81,850
Transfer to inventories	(1,200)	-	-	-	-	(1,200)
Disposals	(38,442)	-	-	-	-	(38,442)
Exchange differences	(288,514)	(605)	(6,225)	(23,031)	(56,627)	(375,002)
At 31 December 2024	4,374,483	159,388	1,102,255	3,474,752	2,358,302	11,469,180
Accumulated depreciation						
At 1 January 2024	4,325,178	157,979	893,295	3,368,659	2,387,189	11,132,300
Charge for the financial year (Note 25)	145,230	844	133,333	54,753	3,924	338,084
Transfer from right-of-use assets	-	-	81,849	-	-	81,849
Transfer to inventories	(960)	-	-	-	-	(960)
Disposals	(34,107)	-	-	-	-	(34,107)
Exchange differences	(279,815)	(607)	(6,225)	(29,861)	(52,464)	(368,972)
At 31 December 2024	4,155,526	158,216	1,102,252	3,393,551	2,338,649	11,148,194
Carrying amount						
At 31 December 2024	218,957	1,172	3	81,201	19,653	320,986

4. Property, Plant and Equipment (Cont'd)

	Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Computers RM	Renovation RM	Total RM
Group						
2023						
At cost						
At 1 July 2022	4,808,391	225,286	1,026,338	3,574,950	2,502,741	12,137,706
Additions	56,701	-	-	23,991	-	80,692
Transfer to inventories	(75,064)	-	-	(2,040)	-	(77,104)
Disposals	(106,609)	(65,829)	-	(117,559)	(111,852)	(401,849)
Exchange differences	19,220	536	292	7,417	24,040	51,505
At 31 December 2023	4,702,639	159,993	1,026,630	3,486,759	2,414,929	11,790,950
Accumulated depreciation						
At 1 July 2022	4,064,870	217,688	653,003	3,197,961	2,340,472	10,473,994
Charge for the financial period (Note 25)	381,905	4,828	240,000	279,547	132,805	1,039,085
Transfer to inventories	(43,869)	-	-	(82)	-	(43,951)
Disposals	(73,980)	(20,598)	-	(63,990)	(111,441)	(270,009)
Exchange differences	(3,748)	(43,939)	292	(44,777)	25,353	(66,819)
At 31 December 2023	4,325,178	157,979	893,295	3,368,659	2,387,189	11,132,300
Carrying amount						
At 31 December 2023	377,461	2,014	133,335	118,100	27,740	658,650

4. Property, Plant and Equipment (Cont'd)

	Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Computers RM	Renovation RM	Total RM
Company						
2024						
Cost						
At the beginning and end of the financial year	59,093	115,330	965,000	2,360,531	1,521,977	5,021,931
Accumulated depreciation						
At 1 January 2024	50,137	114,292	831,666	2,360,530	1,437,857	4,794,482
Charge for the financial year	3,197	461	133,333	-	22,543	159,534
At 31 December 2024	53,334	114,753	964,999	2,360,530	1,460,400	4,954,016
Carrying amount						
At 31 December 2024	5,759	577	1	1	61,577	67,915

4. Property, Plant and Equipment (Cont'd)

	Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Computers RM	Renovation RM	Total RM
Company						
2023						
Cost						
At the beginning and end of the financial period	59,093	115,330	965,000	2,360,531	1,521,977	5,021,931
Accumulated depreciation						
At 1 July 2022	45,245	113,600	591,666	2,072,187	1,437,163	4,259,861
Charge for the financial period	4,892	692	240,000	288,343	694	534,621
At 31 December 2023	50,137	114,292	831,666	2,360,530	1,437,857	4,794,482
Carrying amount						
At 31 December 2023	8,956	1,038	133,334	1	84,120	227,449

5. Investment Property

	Group and Company 2024 RM	2023 RM
Leasehold building		
At fair value		
At 1 January 2024/1 July 2022	10,500,000	10,112,400
Fair value adjustment recognised in profit and loss	1,600,000	387,600
At 31 December 2024/2023	12,100,000	10,500,000

The total estimated fair value of investment property is amounting to RM12,100,000 (2023: RM10,500,000).

Investment property comprises a commercial property which the Certificate of Completion and Compliance ("CCC") has obtained on 25 October 2023.

During the financial year, the investment property of the Group and of the Company was revalued by an independent professional qualified valuer.

The fair value of the investment property approximately RM12,100,000 at level 3 was recommended by the Directors as at the end of reporting year based on comparison method that makes reference to recent market value of a similar property in the vicinity on a price per square feet basis.

Property category	Valuation techniques used	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Leasehold building	Investment approach (Investment method)	Location, plot size, improvements made (if any), surrounding developments, facilities and amenities available Estimated value per square feet RM718 (2023: RM623)	The higher the price per square feet, the higher the fair value.

There is no transfer between levels of fair value hierarchy during the financial year.

6. Leases

Right-of-Use Assets

Group	Leasehold Properties RM	Motor Vehicles RM	Total RM
Carrying amount			
At 1 January 2024	464,005	13,457	477,462
Additions	2,233,003	-	2,233,003
Modification of lease	188,313	-	188,313
Depreciation (Note 25)	(676,038)	(13,457)	(689,495)
Exchange differences	46,185	-	46,185
At 31 December 2024	2,255,468	-	2,255,468
At 1 July 2022	1,862,928	38,012	1,900,940
Additions	111,910	-	111,910
Termination of leases	(379,486)	-	(379,486)
Depreciation (Note 25)	(1,131,347)	(24,555)	(1,155,902)
At 31 December 2023	464,005	13,457	477,462

Company	2024 RM	2023 RM
Leasehold property		
Carrying amount		
At 1 January 2024/1 July 2022	335,304	1,089,740
Additions	2,005,491	-
Depreciation (Note 25)	(558,136)	(754,436)
At 31 December 2024/2023	1,782,659	335,304

6. Leases (Cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At 1 January 2024/ 1 July 2022	600,866	3,607,558	460,125	2,806,792
Additions	2,233,003	111,910	2,005,491	-
Accretion of interest (Note 24)	91,576	248,544	59,002	194,854
Amount billed	-	(847,174)	-	(847,174)
Lease payments	(826,694)	(2,408,062)	(726,148)	(1,694,347)
Modification of lease	188,313	-	-	-
Termination of leases	-	(111,910)	-	-
At 31 December 2024/2023	2,287,064	600,866	1,798,470	460,125

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Disclosed as:				
Current	748,263	556,737	644,064	460,125
Non-current	1,538,801	44,129	1,154,406	-
	2,287,064	600,866	1,798,470	460,125

Included in profit or loss of the Group and the Company:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Depreciation charge of right-of-use assets	689,495	1,155,902	558,136	754,436
Accretion of interest	91,576	248,544	59,002	194,854
Loss on early termination of leases	-	267,576	-	-
Expense relating to lease of short-term and low value assets	76,072	49,804	-	-
	857,143	1,721,826	617,138	949,290

The incremental borrowing rate applied to the lease liabilities of the Group and of the Company ranges from 5.45% to 13.71% (2023: 5.00% to 13.71%).

7. Intangible Assets

Group	Intellectual Property RM	Development Costs RM	Software RM	Total RM
Cost				
At 1 January 2024	19,904,709	50,780,416	-	70,685,125
Additions	-	-	24,500,000	24,500,000
At 31 December 2024	19,904,709	50,780,416	24,500,000	95,185,125
Accumulated amortisation				
At 1 January 2024	10,057,984	32,994,628	-	43,052,612
Charge for the financial year (Note 25)	4,083,334	-	-	4,083,334
At 31 December 2024	14,141,318	32,994,628	-	47,135,946
Accumulated impairment loss				
At the beginning and end of the financial year	318,947	17,785,788	-	18,104,735
Net carrying amount				
At 31 December 2024	5,444,444	-	24,500,000	29,944,444
Cost				
At the beginning and end of the financial period	19,904,709	50,780,416	-	70,685,125
Accumulated amortisation				
At 1 July 2022	7,335,762	32,994,628	-	40,330,390
Charge for the financial period (Note 25)	2,722,222	-	-	2,722,222
At 31 December 2023	10,057,984	32,994,628	-	43,052,612
Accumulated impairment loss				
At the beginning and end of the financial period	318,947	17,785,788	-	18,104,735
Net carrying amount				
At 31 December 2023	9,527,778	-	-	9,527,778

7. Intangible Assets (Cont'd)

(a) Intellectual property

Intellectual properties principally consists of purchase of artificial intelligence ("AI") system.

(b) Development costs

Development costs principally comprise internally generated expenditure on major projects where it is reasonably anticipated that the costs will be recovered through future commercial activities. As at the reporting date, the development costs have been fully amortised and impaired.

(c) Software

Software principally consists of retail POS software and E-Invoice Web app which was completed and ready for use on December 2024.

8. Investment in Subsidiaries

	Company	
	2024	**2023**
	RM	**RM**
In Malaysia		
At cost		
Unquoted shares	42,354,805	42,354,805
Capital contribution	1,354,356	1,354,356
	43,709,161	43,709,161
Less: Accumulated impairment losses	(40,167,656)	(26,866,110)
	3,541,505	16,843,051

8. Investment in Subsidiaries (Cont'd)

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective equity interests		Principal activities
		2024 %	2023 %	
Direct subsidiaries				
Cuscapi Innovation Lab Sdn. Bhd.	Malaysia	100	100	Software development
Cuscapi Consulting Services Sdn. Bhd.	Malaysia	100	100	Provision of project management, business and IT related consultancy services
Cuscapi Malaysia Sdn. Bhd.	Malaysia	100	100	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services
Cuscapi Interactive Solutions Sdn. Bhd.	Malaysia	100	100	Provision of software development, interactive devices solutions, restaurant management and business management solutions
Cuscapi Solutions Sdn. Bhd.	Malaysia	100	100	Software development
Cuscapi Outsourcing Sdn. Bhd.	Malaysia	100	100	Provision of a contract centre for outsourcing services
Cuscapi Blockchain Sdn. Bhd.	Malaysia	100	100	To operate a cryptocurrency exchange in Philippines and other IT related business
Litar Pasifika Sdn. Bhd.	Malaysia	100	100	Investment holding
Cuscapi International Sdn. Bhd.	Malaysia	100	100	Investment holding

8. Investment in Subsidiaries (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective equity interests		Principal activities
		2024 %	2023 %	
Direct subsidiaries (Cont'd)				
Cuscapi International Pte. Ltd.*	Singapore	100	100	Investment holding
PT Cuscapi Indonesia*	Indonesia	47.82	47.82	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services
Cuscapi (BD) Ltd.*	Bangladesh	100	100	Dormant
Cuscapi Vietnam Company Limited*	Vietnam	80	70	Computer programming, information technology service and other services related to the computer, data processing, leasing and other related activities
Megalodon Capital Management Limited⁺	British Virgin Islands	100	100	Dormant
Megalodon Capital SPC⁺	Cayman	100	100	Dormant
Subsidiary of Cuscapi International Sdn. Bhd.				
Cuscapi Hong Kong Ltd.*	Hong Kong	100	100	Investment holding

8. Investment in Subsidiaries (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective equity interests		Principal activities
		2024 %	2023 %	
Subsidiaries of Cuscapi International Pte. Ltd.				
PT Cuscapi Indonesia*	Indonesia	52.18	52.18	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services
Cuscapi Singapore Pte. Ltd.*	Singapore	100	100	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business and IT related consultancy services
Cuscapi (Thailand) Co. Ltd.*	Thailand	100	100	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business and IT related consultancy services

8. Investment in Subsidiaries (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective equity interests		Principal activities
		2024 %	2023 %	
Subsidiaries of Cuscapi Hong Kong Ltd.				
Cuscapi Beijing Co. Ltd.* #	China	100	100	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business and IT related consultancy services
Cuscapi Shanghai Co. Ltd.* #	China	100	100	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business and IT related consultancy services
Cuscapi Suzhou Co. Ltd.* #	China	100	100	Software development
Cuscapi Guangzhou Co. Ltd.*	China	100	100	Dormant
Cuscapi Philippines, Inc*	Philippines	99.99	99.99	Investment holding
Cuscapi Interactive Technology (China) Pty Ltd*	Hong Kong	100	100	Investment holding

8. Investment in Subsidiaries (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective equity interests		Principal activities
		2024 %	2023 %	
Subsidiary of Cuscapi Philippines, Inc.				
Tills N Labels System Marketing, Inc*	Philippines	99.99	99.99	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business and IT related consultancy services
Subsidiary of Cuscapi Interactive Technology (China) Pty. Ltd.				
Shanghai Cuscapi Interactive Network Technology Co. Ltd.* #	China	100	100	Software development, interactive devices solutions, restaurant management, business management solutions and other related services and products

** Subsidiaries not audited by UHY Malaysia PLT*
+ Subsidiaries not subject to audit requirements
 # Subsidiaries that are ceased operations since previous financial years

8. Investment in Subsidiaries (Cont'd)

(a) During the financial year, the Group increased its equity interest in Cuscapi Vietnam Company Limited, a company incorporated in Vietnam, from 70% to 80% by transfer of shares from a non-controlling shareholder to the Group at no consideration.

(b) Movements in the allowance for impairment loss are as follows:

	Company	
	2024	**2023**
	RM	**RM**
At 1 January 2024/1 July 2022	26,866,110	20,603,958
Impairment losses recognised (Note 25)	13,301,546	6,262,152
At 31 December 2024/2023	40,167,656	26,866,110

As at the reporting date, there were evidence base on internal reporting that indicates the performance of certain subsidiaries were below its expected level.

The management performed impairment testing on its investment in a subsidiary with indication of impairment as at 31 December 2024. As a result, the management recognised impairment losses of RM13,301,546 (2023: RM6,262,152) in current financial year due to its carrying amount exceeds its recoverable amount. The recoverable amount is determined based on a value in use calculation, using cash flow projection from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projection is 13% (2023: 11%) and the sales growth rate is 7% (2023: 7%).

(c) Non-controlling interests in subsidiaries

The Group's subsidiaries which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group.

9. Investment in Associate

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
In Malaysia				
Unquoted shares, at cost	9,000,000	-	9,000,000	-
Share of post-acquisition loss and reserves	(1,062,599)	-	(1,062,599)	-
	7,937,401	-	7,937,401	-

Details of the associate are as follows:

Name of company	Place of business/ Country of incorporation	Effective equity interests		Principal activities
		2024 %	2023 %	
Direct holding				
MX Global Sdn. Bhd. *	Malaysia	-	-	Research, development and commercialisation of trading platform

* *Associates not audited by UHY Malaysia PLT*

On 1 March 2022, the Group and the Company entered into a subscription agreement for 9,000,000 new Redeemable Convertible Preference Shares ("RCPS") in MX Global Sdn. Bhd. ("MX Global"), representing the entire class of preference shares in MX Global, at an issue price of RM1.00 per share, for a total subscription consideration of RM9,000,000.

On 27 March 2024, the Group and the Company fulfilled the condition precedent under the subscription agreement, and the subscription was accordingly completed on that date.

On 15 May 2024, the Group and the Company submitted a conversion notice to convert the RCPS amounting to RM9,000,000 into 4,100,952 ordinary shares, representing a 30% equity interest in MX Global. The conversion shares were subsequently allotted in January 2025.

In accordance with MFRS 128 Investment in Associates and Joint Ventures, the Group commenced equity accounting for its investment in MX Global on 1 April 2024. This was based on management's intention, as at that date, to convert the RCPS into ordinary shares, representation at Board level and to actively participate in the financial and operating policy decisions of MX Global, thereby exercising significant influence over the investee. The conversion of the RCPS into ordinary shares was permitted under the terms of the subscription agreement.

9. Investment in Associate (Cont'd)

The summarised financial information of the associate, not adjusted for the percentage held by the Group and the Company is as follows:

	MX Global	
	2024	**2023**
	RM	**RM**
Non-current assets	721,570	-
Current assets	8,444,979	-
Current liabilities	(4,103,312)	-
Net assets	5,063,237	-

	MX Global	
	2024	**2023**
	RM	**RM**
Revenue	1,117,129	-
Loss before tax	(3,541,998)	-
Taxation	-	-
Net loss for the financial year/period	(3,541,998)	-

	MX Global	
	2024	**2023**
	RM	**RM**
Group's share of results for the financial year ended 31 December		
Group's share of loss	(1,062,599)	-
Group's share of other comprehensive income	-	-
Group's share of total comprehensive loss	(1,062,599)	-
Group's share of net assets, representing carrying amount of Group's interest in an associate	1,518,971	-

10. Other Investments

		Group		Company	
		2024	2023	2024	2023
		RM	RM	RM	RM
Non-current					
At FVOCI					
Quoted shares	(a)	10,727	10,935	10,727	10,935
Unquoted shares	(b)	100	13,351,000	-	-
					-
		10,827	13,361,935	10,727	10,935

(a) Quoted shares

The Group and the Company hold non-controlling interests in equity securities designated at fair value through other comprehensive income. The Group and the Company have irrevocably designated these equity securities at fair value through other comprehensive income as it is not held for trading. The fair value of quoted shares is classified under Level 1.

	Group and Company	
	2024	2023
	RM	RM
At 1 January 2024/1 July 2022	10,935	15,177,455
Additions	-	490,874
Disposal	-	(16,629,680)
Fair value adjustment recognised in other comprehensive income	(208)	972,286
At 31 December 2024/2023	10,727	10,935

In the previous financial period, the Group and the Company has disposed the quoted shares amounted to RM16,629,680 at its fair value for working capital purposes.

(b) Unquoted shares

The Group holds 20% (2023: 20%) equity stake in Konsortium Multimedia Swasta Sdn. Bhd. ("KOMMS").

The Group has no representation on Board of Directors of KOMMS. On this basis, the Group concludes that it does not have significant influence over KOMMS and thus recognised as investment, instead of an associated company.

10. Other Investments (Cont'd)

(b) Unquoted shares (Cont'd)

As of 31 December 2024, the Group has conducted a reassessment of its investment, concluding that the fair value of KOMMS is RM100 due to:

(i) Lack of enforceable agreements securing KOMMS's projected revenue streams.
(ii) Inability to validate projected market share assumptions due to regulatory and competitive uncertainties.
(iii) The weak financial position of KOMMS and its continued reliance on shareholder support.

The concession owned by KOMMS which represent one of the three concessionaires in Malaysia that provide the Malaysian E-Government MSC Flagship Application that builds, operates and owns an electronic channel to deliver services from various government agencies to Malaysia citizens and businesses.

The fair values of the unquoted shares in KOMMS is classified under Level 3.

Reconciliation of Level 3 Fair Value Measurement

	Group and Company	
	2024	**2023**
	RM	**RM**
At 1 January 2024/1 July 2022	13,351,000	15,619,894
Recognised in other comprehensive income	(13,350,900)	(2,268,894)
At 31 December 2024/2023	100	13,351,000

Details of Level 3 fair value measurements are as follows:

Valuation method and key inputs	**Significant unobservable inputs**	**Relationship of unobservable inputs**
Discounted future cash flows	Discount rate of 13.08% (2023: 10.85%)	The higher the discount rate, the lower the fair value.
	Sales growth rate of 6% (2023: 6%)	The higher the sales growth rate, the higher the fair value.

11. Goodwill on Consolidation

	Group	
	2024	**2023**
	RM	**RM**
Cuscapi Solutions Sdn. Bhd.	988,390	988,390

Goodwill acquired through business combinations has been allocated to its advertising segment as its cash generating unit ("CGU").

For annual impairment testing purposes, the recoverable amount of the CGU, which is a reportable business, is determined based on its value-in-use. The value-in-use calculations apply a discounted cash flow model using the cash flow projections based on financial budget and projections approved by management.

No impairment loss is required for the goodwill as its recoverable amount exceeded the carrying amount of the CGU.

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

(i) Cash flow projections and sales growth rate

The five-year cash flow projections are based on the most recent budget approved by the management and extrapolated using a steady sales growth rate of 7% (2023: 7%) per annum for the subsequent years.

(ii) Discount rate

The discount rate of 13% (2023: 11%) is applied to the cash flow projections. The discount rate is estimated based on the weighted average cost of capital of the CGU for the year.

The management believes that no reasonably possible changes in any key assumptions would cause the recoverable amount of the CGU to differ materially from its carrying amount except for changes in prevailing operating environment which is not ascertainable.

12. Trade and Other Receivables

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-Current				
Trade				
Third party	474,500	1,130,332	-	-
Current				
Trade				
Third parties	10,415,267	22,282,001	1,084,691	11,274,691
Amount owing by subsidiaries	-	-	16,401,201	16,499,974
	10,415,267	22,282,001	17,485,892	27,774,665
Less: Accumulated impairment losses				
- Trade receivables	(4,112,848)	(3,140,323)	(7,300)	(7,300)
- Amounts owing by subsidiaries	-	-	(16,401,201)	(16,401,201)
	6,302,419	19,141,678	1,077,391	11,366,164
Non-trade				
Other receivables				
- Sundry receivables	136,396	195,638	14,879	14,144
- SST refundable	225,304	290,838	-	-
- Sundry advances	337,710	337,710	-	-
- Deposits	237,416	314,829	161,355	161,355
- Prepayments	625,240	381,557	33,822	70,084
Amounts owing by associate	300,000	-	300,000	-
Amounts owing by subsidiaries	-	-	146,078,812	136,575,598
	1,862,066	1,520,572	146,588,868	136,821,181
Less: Accumulated impairment losses				
- Other receivables	(397,080)	(365,804)	-	-
- Amounts owing by subsidiaries	-	-	(145,976,060)	(135,463,534)
	1,464,986	1,154,768	612,808	1,357,647
Total current trade and other receivables	7,767,405	20,296,446	1,690,199	12,723,811
Total trade and other receivables	8,241,905	21,426,778	1,690,199	12,723,811

12. Trade and Other Receivables (Cont'd)

(a) Included in trade receivables of the Group is a past due balance amounting to RM474,500 (2023: RM1,130,332). The Group has agreed with the customer to recover the outstanding balance via monthly installments as follows:

	Group	
	2024	2023
	RM	RM
Non-current		
Repayable within the next two to five years	474,500	1,130,332

The amount is non-interest bearing and is discounted at 4.25% (2023: 4.25%) per annum.

(b) Trade receivables are non-interest bearing and normal trade credit terms offered by the Group and the Company ranging from 30 to 60 days (2023: 30 to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

(c) Amounts owing by subsidiaries are unsecured, non-interest bearing and receivable on demand.

12. Trade and Other Receivables (Cont'd)

(d) Movements in the allowance for impairment losses are as follows:

Life allowance	Trade receivables RM	Other receivables RM	Amount owing by subsidiaries RM	Total RM
Group				
At 1 January 2024	3,140,323	365,804	-	3,506,127
Charge for the financial year	612,054	32,970	-	645,024
Written off	(102,600)	-	-	(102,600)
Exchange differences	463,071	(1,694)	-	461,377
At 31 December 2024	4,112,848	397,080	-	4,509,928
At 1 July 2022	5,519,143	365,877	-	5,885,020
Charge for the financial period	884,758	-	-	884,758
Written off	(2,679,969)	-	-	(2,679,969)
Exchange differences	(583,609)	(73)	-	(583,682)
At 31 December 2023	3,140,323	365,804	-	3,506,127
Company				
At 1 January 2024	7,300	-	151,864,735	151,872,035
Reversal of impairment loss	-	-	(3,592,472)	(3,592,472)
Charge for the financial year	-	-	14,104,998	14,104,998
At 31 December 2024	7,300	-	162,377,261	162,384,561
At 1 July 2022	7,300	-	132,273,610	132,280,910
Reversal of impairment loss	-	-	(68,446)	(68,446)
Charge for the financial period	-	-	19,659,571	19,659,571
At 31 December 2023	7,300	-	151,864,735	151,872,035

12. Trade and Other Receivables (Cont'd)

(d) Movements in the allowance for impairment losses are as follows: (Cont'd)

Management applies simplified approach (i.e. lifetime expected credit losses) in measuring the loss allowance for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting year.

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

(e) The aged analysis of trade receivables as at the end of the reporting year:

	Gross amount RM	Lifetime allowance RM	Total RM
Group			
2024			
Neither past due nor impaired	719,761	(435,620)	284,141
Past due not impaired:			
Less than 30 days	365,268	(166,623)	198,645
31 to 60 days	405,570	(226,669)	178,901
61 to 90 days	73,191	(52,946)	20,245
91 to 120 days	37,154	(27,786)	9,368
More than 121 days	9,288,823	(3,203,204)	6,085,619
	10,170,006	(3,677,228)	6,492,778
	10,889,767	(4,112,848)	6,776,919

12. Trade and Other Receivables (Cont'd)

(e) The aged analysis of trade receivables as at the end of the reporting year: (Cont'd)

	Gross amount RM	Lifetime allowance RM	Total RM
2023			
Neither past due nor impaired	12,237,634	(13,955)	12,223,679
Past due not impaired:			
Less than 30 days	129,399	(13,201)	116,198
31 to 60 days	1,418,399	(15,444)	1,402,955
61 to 90 days	1,105,092	(1,110)	1,103,982
91 to 120 days	22,414	(4,773)	17,641
More than 121 days	8,499,395	(3,091,840)	5,407,555
	11,174,699	(3,126,368)	8,048,331
	23,412,333	(3,140,323)	20,272,010
Company			
2024			
Neither past due nor impaired	1,077,391	-	1,077,391
Past due not impaired:			
More than 121 days	16,408,501	(16,408,501)	-
	17,485,892	(16,408,501)	1,077,391
2023			
Neither past due nor impaired	11,366,164	-	11,366,164
Past due not impaired:			
More than 121 days	16,408,501	(16,408,501)	-
	27,774,665	(16,408,501)	11,366,164

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13. Inventories

	Group 2024 RM	Group 2023 RM
At Cost		
Point of sales related equipment, components and part	1,073,655	956,155
Inventories recognised as cost of sales	337,665	1,782,253
Inventories written off	24,611	221,322
Impairment losses on slow-moving	160,356	-

14. Digital Assets

	Group and Company 2024 Coins/Tokens	2023 Coins/Tokens	2024 RM	2023 RM
At Cost				
Zetrix				
At 1 January 2024/ 1 July 2022	330,000	-	5,719,430	-
Additions	-	564,287	-	9,780,000
Disposals	-	(234,287)	-	(4,060,570)
Reward received	2,192,860	-	-	-
At 31 December	2,522,860	330,000	5,719,430	5,719,430
Digital assets recognised as cost of sales			-	4,060,570

<u>Zetrix smart contract reward system</u>

The Group receives Zetrix tokens through a structured reward mechanism governed by smart contract terms. While the contractual formula is predefined, actual reward distributions are subject to protocol-level discretion or adjustments.

<u>Net realisable value assessment of digital assets</u>

The Group holds Zetrix tokens classified as inventories in accordance with MFRS 102. Inventories are measured at the lower of cost and net realisable value ("NRV"). As Zetrix tokens are subject to significant volatility in observable exchange pricing and operate in markets with limited liquidity, judgement is required in assessing their NRV at each reporting date.

14. Digital Assets (Cont'd)

The NRV of the tokens is determined based on quoted prices from digital asset exchanges with active trading activity. The Group considers factors such as market volume, token dilution from future issuance, and exchange accessibility to assess whether the carrying amount of the tokens remains recoverable without incurring a loss. As at 31 December 2024, no write-down to NRV was deemed necessary.

15. Cash and Bank Balances

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	2,928,214	531,965	41,358	33,882
Short-term deposits	49,241	51,655	49,241	51,655
	2,977,455	583,620	90,599	85,537

The short-term deposits have maturity period of 1 month (2023: 1 month) which bear interest rate of 1.40% (2023: 1.40%) per annum.

16. Share Capital

	Group and Company			
	Number of shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
Issued and fully paid:				
Ordinary shares				
At the beginning and end of the financial year/period	944,884,476	944,884,476	203,374,573	203,374,573

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

17. Reserves

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Non-distributable					
Foreign currency translation reserve	(a)	12,786,994	12,947,103	-	-
Fair value reserve	(b)	(15,979,859)	(2,663,076)	(375,108)	(374,900)
Statutory reserve	(c)	222,464	222,464	-	-
		(2,970,401)	10,506,491	(375,108)	(374,900)

(a) **Foreign currency translation reserve**

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) **Fair value reserve**

Fair value reserve represents the cumulative net change in the fair value of investment in securities measured at FVTOCI until they are derecognised or impaired.

(c) **Statutory reserve**

In accordance with relevant laws and regulations of the People's Republic of China ("PRC"), the subsidiaries of the Group established in the PRC are required to transfer 10% of their profits after tax prepared in accordance with the accounting regulation of the PRC to the statutory reserve until the reserve balance reaches 50% of their respective registered capital. Such reserve may be used to reduce any losses incurred or for capitalisation as paid-up capital.

18. Trade and Other Payables

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
In Malaysia				
Trade				
Third parties	9,788,577	1,124,937	-	-
Non-trade				
Other payables				
- Sundry payables	2,487,082	2,786,816	1,997,788	2,240,955
- SST payable	1,120,656	836,458	-	-
- Accruals	1,685,513	1,085,566	499,286	452,608
- Refundable deposits	406,874	282,685	-	-
Amount owing to subsidiaries	-	-	17,067,682	20,433,755
Amount owing to Director	5,000	3,930,000	-	-
	5,705,125	8,921,525	19,564,756	23,127,318
	15,493,702	10,046,462	19,564,756	23,127,318

(a) The remaining trade payables are non-interest bearing and credit terms granted are ranging from 30 to 120 days (2023: 30 to 120 days) from the date of invoices.

(b) Amounts owing to subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

(c) Amount owing to a Director are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

19. Contract Liabilities

	Group	
	2024	**2023**
	RM	**RM**
Contract liabilities		
Advances received	226,741	77,017

Contract liabilities comprised of advances received from customers for rendering services.

When the Group receives advances before the maintenance services commences, this will give rise to contract liabilities at the start of a contract. The advances will be reversed and recognised as revenue upon satisfying the performance obligation within the contract.

All advances billing received are expected to be settled within one year.

Contract liabilities outstanding at the beginning of the year amounting to RM77,017 (2023: RM469,358) have been recognised as revenue during the financial year.

20. Revenue

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Revenue from contracts with customers				
Recognised at point in time				
- Sales of goods and installation services	39,862,942	10,797,443	-	-
- Trading of digital assets	-	11,267,391	-	11,267,391
Recognised over time				
- Services	3,748,829	5,382,890	-	-
- Management fees	-	-	982,226	960,051
	43,611,771	27,447,724	982,226	12,227,442
Other revenue				
Dividend income	-	490,338	-	490,338
Rental income from Pos equipment	-	447,950	-	-
	-	938,288	-	490,338
	43,611,771	28,386,012	982,226	12,717,780

21. Cost of Sales

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Cost of goods sold	22,289,962	11,546,895	-	4,060,570
Other direct costs	2,927,138	4,369,847	-	-
	25,217,100	15,916,742	-	4,060,570

22. Other Income

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Unrealised gain on foreign exchange	-	-	13,455,337	-
Rental income	-	-	553,146	786,971
Sundry income	810,029	705,673	405,465	1,172
Fair value gain on investment property	1,600,000	387,600	1,600,000	387,600
Gain on disposal of property, plant and equipment	17,560	80,984	-	-
	2,427,589	1,174,257	16,013,948	1,175,743

23. Finance Income

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Short-term deposits	15,776	34,298	2,048	23,855

24. Finance Costs

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Finance costs on:				
- Lease liabilities (Note 6)	91,576	248,544	59,002	194,854
- Late payment	72,905	398,070	902	-
- Non-current trade receivable	-	34,560	-	-
	164,481	681,174	59,904	194,854

25. Profit/(Loss) before Tax

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is derived after charging/(crediting):

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Auditors' remuneration				
- Statutory audit				
- UHY Malaysia PLT	230,000	265,000	95,000	110,000
- Non UHY	103,616	181,939	-	-
- Other services	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment (Note 4)	338,084	1,039,085	159,534	534,621
Depreciation of right-of-use assets (Note 6)	689,495	1,155,902	558,136	754,436
Amortisation of intangible assets (Note 7)	4,083,334	2,722,222	-	-
Impairment losses on investments in subsidiaries (Note 8)	-	-	13,301,546	6,262,152
Impairment losses on amounts owing by subsidiaries (Note 12)	-	-	10,512,526	19,591,125

25. Profit/(Loss) before Tax (Cont'd)

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is derived after charging/(crediting): (Cont'd)

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Impairment losses on trade and other receivables (Note 12)	645,024	884,758	-	-
Impairment losses on slow-moving inventories (Note 13)	160,356	-	-	-
Inventories written off (Note 13)	24,611	221,322	-	-
Bad debts written off	628,887	410,872	-	405,000
Realised gain on foreign exchange	(39,107)	(7,439)	-	-
Unrealised loss/(gain) on foreign exchange	22,070	62,092	(13,209,520)	2,139,072

26. Tax Expense

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Tax expense recognised in profit or loss				
Current tax provision:				
Income tax expense	364,060	245,027	6,126	-
(Over)/Under provision in prior period/year	(33,315)	3,652	-	-
	330,745	248,679	6,126	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year/period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

26. Tax Expense (Cont'd)

A reconciliation of tax expense applicable to profit/(loss) before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.01.2024 to 31.12.2024 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**
Profit/(Loss) before tax	13,690,748	2,160,919	(11,274,531)	(24,210,133)
Tax at Malaysian statutory income tax rate of 24% (2023: 24%)	3,285,780	518,621	(2,705,887)	(5,810,432)
Income not subject to tax	(919,697)	(233,549)	(384,000)	(210,987)
Non-deductible expenses	2,041,521	1,798,406	2,643,249	7,219,063
Net movements of deferred tax assets not recognised	(4,043,544)	(1,838,451)	452,764	(1,197,644)
(Over)/Under provision in prior period/year	(33,315)	3,652	-	-
	330,745	248,679	6,126	-

26. Tax Expense (Cont'd)

The deferred tax assets not recognised in the financial statements are in respect of the following temporary differences:

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Unutilised tax losses	10,697,788	27,467,378	4,497,334	2,532,307
Unutilised capital allowances	107,736	97,585	10,151	-
Other deductible temporary differences	2,980	91,642	2,980	91,642
	10,808,504	27,656,605	4,510,465	2,623,949
Deferred tax assets not recognised at 24% (2023: 24%)	2,594,041	6,637,585	1,082,512	629,748

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

The Group and the Company have the following unutilised capital allowance and unused tax losses carry forward, available to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

Pursuant to an amendment to Section 44(5F) of Income Tax Act 1967, effective from year of assessment 2019 onwards, the unused tax losses can be carried forward for a maximum period of ten (10) consecutive years of assessment. The unused tax losses accumulated up to year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment until year of assessment 2028.

26. Tax Expense (Cont'd)

The unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Unutilised losses to be carried forward until:				
Year of assessment 2028	5,458,774	19,333,803	-	-
Year of assessment 2031	1,785,103	7,166,238	1,579,177	1,579,177
Year of assessment 2032	967,337	967,337	953,130	953,130
Year of assessment 2034	2,486,574	-	1,965,027	-
	10,697,788	27,467,378	4,497,334	2,532,307

27. Staff Costs

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Salaries, allowances, bonuses and overtime	3,943,426	7,316,369	629,173	2,023,654
Defined contribution plans	368,328	723,993	79,097	166,250
Other staff related expenses	516,492	179,383	61,552	121,627
	4,828,246	8,219,745	769,822	2,311,531

Included in staff costs is aggregate amount of remuneration received and receivable by the Directors of the Company and its subsidiaries during the financial year/period is disclosed at Note 29(c) to the financial statements.

28. Earnings Per Share

Basic earnings per share

The basic profit per share is calculated based on the consolidated profit for the financial year/period attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year/period as follows:

	Group	
	2024 RM	2023 RM
Profit attributable to owners of the parent for the basic	13,380,369	1,895,502
Weighted average number of ordinary shares issue:		
Issued ordinary shares at 1 January 2024/1 July 2022	944,884,476	944,884,476
Effect of ordinary shares issued during the financial year/period	-	-
Weighted average number of ordinary shares at 31 December 2024/2023	944,884,476	944,884,476
Basic earning per ordinary share (sen)	1.42	0.20

Diluted earnings/(loss) per share

The diluted earnings/(loss) per share of the Group is calculated by dividing the profit/(loss) for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial period adjusted to assume conversion of all dilutive potential ordinary shares. The diluted earnings/(loss) per share of the current financial period and previous financial year are equal to the basic earnings/(loss) per share as the Group has no dilutive ordinary shares.

29. Related Party Disclosures

(a) Identifying related parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management and chief executive officers of major subsidiaries of the Group.

29. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in elsewhere in the financial statements, the significant related party transactions of the Company are as follows:

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
(Repayment to)/ Advances from a Director	(3,015,000)	3,020,000	-	-
Management fees				
- Cuscapi Malaysia Sdn. Bhd.	-	-	202,932	321,394
- Cuscapi Solutions Sdn. Bhd.	-	-	539,294	638,657
- Cuscapi Innovation Lab Sdn. Bhd.	-	-	240,000	-
	-	-	982,226	960,051
Rental income				
- Cuscapi Malaysia Sdn. Bhd.	-	-	17,762	-
- Cuscapi Solutions Sdn. Bhd.	-	-	17,762	-
- Cuscapi Innovation Lab Sdn. Bhd.	-	-	517,623	-
	-	-	553,147	-

29. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Remuneration of key management personnel, which includes the directors' remuneration and certain key senior managements are as follows:

	Group		Company	
	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.01.2024 to 31.12.2024 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM
Salaries and other emoluments	957,596	1,196,700	445,000	1,196,700
Defined contribution plans	62,685	65,263	-	65,263
	1,020,281	1,261,963	445,000	1,261,963

30. Segment Information

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Chief Executive Officer ("CEO"), and/or the person acting at his capacity for the purpose of making decisions about resource allocation and performance assessment.

For management purposes, the Group is organised into strategic business units based on geography locations and business units.

The Group's reportable operating segments are as follows:

<u>Business units</u>

(i) Sale of POS

This segment is involved in sale of software, hardware, maintenance services and other support services of point-of-sales to all the customers for the Group.

(ii) Trading of digital assets

This segment is involved in trading of the digital assets.

(iii) Group Corporate

This segment is involved in Group-level corporate services, and treasury functions.

30. Segment Information (Cont'd)

Geographical locations

(i) Malaysia

Involves in software development, the provision of remedial services for Point of Sales hardware and related software implementation and support services, the provision of Point of Sales and business management solutions, the provision of project management, business and IT related consultancy services, the provision of network infrastructure and security solutions and services and system integration services, and the provision of contact centres for outsourcing services, in Malaysia.

(ii) South East Asia region other than Malaysia

Involves in the provision of Point of Sales and business management solutions, the provision of remedial services for Point of Sales hardware and related software implementation and support services, the provision of project management, business and IT related consultancy services in the South East Asia region other than Malaysia.

Except as indicated above, no operating segments has been aggregated from the above reportable operating segments.

Inter-segment pricing is determined on negotiated basis. Geographically, management reviews the performance of the businesses in Malaysia, South East Asia, and People's Republic of China. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

Segment profit

Management monitors the operating results of its units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit after tax ("PAT"). PAT is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments that operate within the Group.

Segment assets

The total of segment assets (excluding deferred tax assets) is measured based on all assets of a segment, as included in the internal reports that are reviewed by the Board of Directors.

Segment liabilities

The total segment liabilities are measured based on all liabilities (excluding deferred tax liabilities and current tax liabilities) of a segment as included in the internal reports that are reviewed by the Board of Directors.

30. Segment Information (Cont'd)

	Business Unit Segment		
	Sale of Pos RM	Group Corporate RM	Total RM
Group			
2024			
Revenue			
Total revenue	42,672,950	2,765,377	45,438,327
Inter-company revenue	(1,477,136)	(349,421)	(1,826,556)
Revenue from external customers	41,195,815	2,415,956	43,611,771
Result			
Included in the measure of segment profit/(loss) are:			
Interest income	9,984	5,792	15,776
Interest expense	(104,577)	(59,904)	(164,481)
Amortisation of intangible assets	(4,083,334)	-	(4,083,334)
Depreciation of property, plant and equipment	(178,549)	(159,535)	(338,084)
Depreciation of right-of-use assets	(131,358)	(558,137)	(689,495)
Loss allowance on trade and other receivables	(601,243)	(43,781)	(645,024)
Loss allowance on slow-moving inventories	(160,356)	-	(160,356)
Inventories written off	(24,611)	-	(24,611)
Lease expenses for short-term and low value assets	(76,072)	-	(76,072)
Realised gain on foreign exchange	36,580	2,527	39,107
Unrealised loss on foreign exchange	(22,070)		(22,070)
Income tax expense			(330,745)
Profit for the financial year			13,360,003
Assets			
Segment assets	38,382,035	33,452,647	71,834,682
Addition to non-current assets	238,536	2,005,491	2,244,027
Liabilities			
Segment liabilities	(13,602,120)	(4,931,007)	(18,533,127)

30. Segment Information (Cont'd)

	Business Unit Segment			
	Sale of Pos RM	Trading of digitals assets RM	Group Corporate RM	Total RM
Group				
2023				
Revenue				
Total revenue	22,539,306	11,267,391	1,450,389	35,257,086
Inter-company revenue	(5,911,023)	-	(960,051)	(6,871,074)
Revenue from external customers	16,628,283	11,267,391	490,338	28,386,012
Result				
Included in the measure of segment profit/(loss) are:				
Interest income	33,413	-	985	34,398
Interest expense	(664,158)	-	(17,016)	(681,174)
Amortisation of intangible assets	(2,722,222)	-	-	(2,722,222)
Depreciation of property, plant and equipment	(1,039,085)	-	-	(1,039,085)
Depreciation of right-of-use assets	(1,122,793)	-	(33,109)	(1,155,902)
Loss allowance on trade and other receivables	(884,758)	-	-	(884,758)
Inventories written off	(221,322)	-	-	(221,322)
Lease expenses for short-term and low-value assets	(49,804)	-	-	(49,804)
Realised loss on foreign exchange	7,439	-	-	7,439
Unrealised loss on foreign exchange	(62,092)	-	-	(62,092)
Income tax expense				(248,679)
Profit for the financial period				1,912,240
Assets				
Segment assets	22,542,491	16,986,821	24,850,425	64,379,737
Addition to non-current assets	192,602	-	-	192,602
Liabilities				
Segment lliabilities	10,961,293	-	-	10,961,293

30. Segment Information (Cont'd)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2024	2023	2024	2023
	RM	RM	RM	RM
Group				
Malaysia	41,782,123	23,319,542	53,047,579	35,402,250
South East Asia region other than Malaysia	1,829,648	5,066,470	509,937	1,242,297
	43,611,771	28,386,012	53,557,516	36,644,547

Information about major customers

For Malaysia segment, revenue from two customers (2023: one customer) represented approximately RM20,000,000 (2023: RM11,267,391) for the Group's total revenue.

31. Capital Commitment

	Group and Company	
	2024	2023
	RM	RM
Other investment - RCPS		
Approved and contracted for	-	8,595,000

32. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

32. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At FVTOCI RM	At Amortised cost RM	Total RM
Group			
2024			
Financial assets			
Other investments	10,827	-	10,827
Trade and other receivables (exclude SST refundable and prepayments)	-	7,391,361	7,391,361
Cash and bank balances	-	2,977,455	2,977,455
	10,827	10,368,816	10,379,643
Financial liabilities			
Trade and other payables (exclude SST payable)	-	14,373,046	14,373,046
Lease liabilities	-	2,287,064	2,287,064
	-	16,660,110	16,660,110
2023			
Financial assets			
Other investments	13,361,935	-	13,361,935
Trade and other receivables (exclude SST refundable and prepayments)	-	20,687,919	20,687,919
Cash and bank balances	-	583,620	583,620
	13,361,935	21,271,539	34,633,474
Financial liabilities			
Trade and other payables (exclude SST payable)	-	9,210,004	9,210,004
Lease liabilities	-	600,866	600,866
	-	9,810,870	9,810,870

32. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	At FVTOCI RM	At Amortised cost RM	Total RM
Company			
2024			
Financial assets			
Other investments	10,727	-	10,727
Trade and other receivables (exclude prepayments)	-	1,656,377	1,656,377
Cash and bank balances	-	90,599	90,599
	10,727	1,746,976	1,757,703
Financial liabilities			
Trade and other payables	-	19,564,756	19,564,756
Lease liabilities	-	1,798,470	1,798,470
	-	21,363,226	21,363,226
2023			
Financial assets			
Other investments	10,935	-	10,935
Trade and other receivables (exclude prepayments)	-	12,653,727	12,653,727
Cash and bank balances	-	85,537	85,537
	10,935	12,739,264	12,750,199
Financial liabilities			
Trade and other payables	-	23,122,318	23,122,318
Lease liabilities	-	460,125	460,125
	-	23,582,443	23,582,443

32. Financial Instruments (Cont'd)

(b) **Financial risk management objectives and policies**

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group and of the Company operations whilst managing its financial risks, including credit, liquidity, foreign currency, interest rate and market price risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and of the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) **Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with licensed banks. The Company's exposure to credit risk arises principally from trade and other receivables.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with licensed banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Group and the Company assess whether any if the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk.

<u>Credit risk concentration</u>

The Group determines the credit risk concentration of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date arising from the amount due from one (1) (2023: three (3)) customers representing approximately 58% (2023: 92%) of the total trade receivables.

32. Financial Instruments (Cont'd)

(b) **Financial risk management objectives and policies (Cont'd)**

(ii) **Liquidity risk**

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet its working capital requirements and prudently balances its portfolio of short term and long-term funding requirements.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	Carrying amount RM	On demand within 1 year RM	Between 1 to 5 years RM	More than 5 years RM	Total RM
Group					
2024					
Trade and other payables (exclude SST payable)	14,373,046	14,373,046	-	-	14,373,046
Lease liabilities	2,287,064	864,111	1,619,873	31,673	2,515,657
	16,660,110	15,237,157	1,619,873	31,673	16,888,703

32. **Financial Instruments (Cont'd)**

(b) **Financial risk management objectives and policies (Cont'd)**

(ii) **Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	Carrying amount RM	On demand within 1 year RM	Between 1 to 5 years RM	More than 5 years RM	Total RM
2023					
Trade and other payables (exclude SST payable)	9,365,662	9,365,662	-	-	9,365,662
Lease liabilities	600,866	564,294	76,184	-	640,478
	9,966,528	9,929,956	76,184	-	10,006,140
Company					
2024					
Trade and other payables (exclude SST payable)	19,564,756	19,564,756	-	-	19,564,756
Lease liabilities	1,798,470	726,149	1,210,248	-	1,936,397
	21,363,226	20,290,905	1,210,248	-	21,501,153
2023					
Trade and other payables (exclude SST payable)	23,127,318	23,127,318	-	-	23,127,318
Lease liabilities	460,125	484,099	-	-	484,099
	23,587,443	23,611,417	-	-	23,611,417

32. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Chinese Renminbi ("RMB"), Philippines Peso ("PHP"), Thailand Baht ("THB"), Indonesian Rupiah ("IDR"), Vietnamese Dong ("VND"), Hong Kong Dollar ("HKD") and Bangladesh Taka ("BDT").

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group and the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

Exposure to foreign currency risk

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities which have RM functional currency at the end of the reporting year are as follows:

	Trade and other receivables RM	**Cash and bank balances RM**	**Trade and other payables RM**	**Total RM**
Group				
2024				
USD	-	-	(327,139)	(327,139)
SGD	29,738	3,030	(276,208)	(243,440)
RMB	270,087	24,919	(761,069)	(466,063)
PHP	369,936	273,914	(719,909)	(76,059)
THB	116,873	4,472	(11,950)	109,395
IDR	742,331	75,505	(72,176)	745,660
VND	10,502	17,399	(54,490)	(26,589)
BDT	-	154,145	-	154,145
HKD	7,876	-	(14,298)	(6,422)
	1,547,343	553,384	(2,237,239)	(136,512)

32. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Exposure to foreign currency risk (Cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities which have RM functional currency at the end of the reporting year are as follows: (Cont'd)

	Trade and other receivables RM	Cash and bank balances RM	Trade and other payables RM	Total RM
Group				
2023				
USD	-	-	(58,108)	(58,108)
SGD	287,756	8,597	(4,261,182)	(3,964,829)
RMB	296,755	30,645	(815,052)	(487,652)
PHP	498,984	77,914	(946,115)	(369,217)
THB	128,628	9,100	(39,324)	98,404
IDR	1,110,528	27,465	(354,803)	783,190
VND	12,628	35,604	(58,677)	(10,445)
BDT	8,918	-	(15,207)	(6,289)
HKD	-	171,281	-	171,281
	2,344,197	360,606	(6,548,468)	(3,843,665)
Company				
2024				
USD	-	-	(10)	(10)
SGD	-	-	(9,981,324)	(9,981,324)
RMB	-	-	(36,178)	(36,178)
PHP	-	-	(3,121,661)	(3,121,661)
VND	-	-	(39,432)	(39,432)
HKD	-	-	(817,693)	(817,693)
	-	-	(13,996,298)	(13,996,298)
Company				
2023				
USD	-	-	(9,924,252)	(9,924,252)
SGD	-	-	(987,907)	(987,907)
	-	-	(10,912,159)	(10,912,159)

32. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency risk sensitivity analysis

Foreign currency risk arises from the Group and the Company entities mainly have USD, SGD, RMB, PHP, THB, IDR, VND, HKD and BDT.

The following demonstrates the sensitivity of the Group's and the Company's profit after tax to a reasonably possible change in the USD, SGD, RMB, PHP, THB, IDR, VND, HKD and BDT exchange rates against RM, with all other variables held constant:

	Group		**Company**	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Effects of 5% changes to RM against foreign				
Profit/(Loss) before tax				
- USD	±16,357	±2,905	±1	±496,213
- SGD	±12,172	±198,241	±499,066	±49,395
- RMB	±23,303	±24,383	±1,809	-
- PHP	±3,803	±18,461	±156,083	-
- THB	±5,470	±4,920	-	-
- IDR	±37,283	±39,160	-	-
- VND	±1,329	±522	±1,972	-
- HKD	±7,707	±314	±40,885	-
- BDT	±321	±8,564	-	-

32. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favorable interest rates in the market. The Group and the Company constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favorable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

32. Financial Instruments (Cont'd)

(c) **Financial risk management objectives and policies (Cont'd)**

(iii) **Market risks (Cont'd)**

(b) **Interest rate risk**

The interest rate profile of the Group's and of the Company's interest-bearing financial instruments, based on carrying amounts as at end of the reporting year was:

	2024 RM	2023 RM
Group		
Fixed rate instruments		
Financial asset		
Short-term deposits	49,241	51,655
Financial liability		
Lease liabilities	2,287,064	600,866
Company		
Fixed rate instruments		
Financial asset		
Short-term deposits	49,241	51,655
Financial liability		
Lease liabilities	1,798,470	460,125

Interest rate risk sensitivity analysis

Interest rate sensitivity analysis

Sensitivity analysis of fixed rate instruments as at the end of the reporting year is not presented as fixed rate instruments are not affected by change in interest rate.

32. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or foreign exchange rates).

The Group and the Company are exposed to equity price risk arising from its investment in quoted instrument. This investment is listed on Bursa Malaysia and is classified as fair value through other comprehensive income.

Management of the Group and the Company monitors the value of the equity investments by considering the movements in the quoted price. The buy and sell decisions are approved by the Risk Management Committee of the Group.

Market price risk sensitivity analysis.

At the reporting date, if the stock indices had been 10% higher/lower, with all other variables held constant, the Group's and the Company's profit/(loss) before tax would have been RM1,000 (2023: RM1,000) respectively lower/higher, arising as a result of higher/lower fair value gain on held for trading investment in equity instrument.

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, and cash and bank balances approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term receivables approximates its fair value on or near reporting date.

32. Financial Instruments (Cont'd)

(c) Fair values of financial instruments (Cont'd)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

		Fair value of financial instruments carried at fair value			
	Carrying amount RM	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total fair value RM**
Financial assets					
Group					
2024					
Other investments	10,827	10,727	-	100	10,827
2023					
Other investments	13,361,935	10,935	-	13,351,000	13,361,935
Company					
2024					
Other investments	10,727	10,727	-	-	10,727
2023					
Other investments	10,935	10,935	-	-	10,935

33. Material Litigations

Her Chor Siong v Cuscapi Berhad and others

On 2 October 2023, Cuscapi Berhad ("the Company") was served with a Writ of Summons and received a Statement of Claim dated 29 September 2023 by Her Chor Siong.

On 4 April 2024, the High Court of Kuala Lumpur had made the judgement that the claim by Her Chor Siong was struck out and required to pay RM10,000 to the Company.

On 25 April 2024, the Plaintiff has filed and served to Cuscapi's solicitors a Notice of Appeal dated 24 April 2024 to appeal against the entirety of the decision of the High Court of Kuala Lumpur made on 4 April 2024.

On 5 August 2024, following the Notice of Appeal dated 24 April 2024, filed by the Plaintiff, the Court of Appeal registered the appeal with Appeal Number W-02(IM)(NCvC)-713-04/2024 ("Appeal 713"). Cuscapi's solicitors had attended the Case Management held on 2 August 2024 wherein Appeal 713 has been fixed for hearing on 19 March 2025 at the Court of Appeal, Putrajaya.

The parties had attended the hearing for Appeal 713 before the Court of Appeal held on 19 March 2025, wherein upon hearing submissions of parties, the Court of Appeal had unanimously allowed the Appellant's appeal with cost in the cause. In consequence to Appeal 713 being allowed, the Court of Appeal had directed for Suit 542 to be heard before a different Judge at the High Court.

34. Capital Management

The Group's management manage its capital to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and maintains an optimal capital structure, so as to maximise shareholders value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

34. Capital Management (Cont'd)

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting year are as follows:

	Group	
	2024	**2023**
	RM	**RM**
Total liabilities	18,533,127	10,961,293
Equity attributable to owners of the parent	53,365,706	53,484,876
Debt-to-equity ratio	0.35	0.20

There were no changes in the Group's approach to capital management during the financial year.

The Group is not subject to any externally imposed capital requirements.

35. Significant Event

Subscription and Conversion of Preference Shares in MX Global Sdn. Bhd.

On 27 March 2024, the Group completed the subscription of 9,000,000 Redeemable Convertible Preference Shares ("RCPS") in MX Global Sdn. Bhd. for a total consideration of RM9,000,000, following the fulfilment of conditions precedent under the subscription agreement dated 1 March 2022.

Subsequently, on 15 May 2024, the Group submitted a conversion notice to convert the RCPS into 4,100,952 ordinary shares, representing a 30% equity interest in MX Global. The ordinary shares were allotted in January 2025, as disclosed in Note 9.

36. Comparative Information

The previous reporting period covered a period of eighteen (18) months from 1 July 2022 to 31 December 2023. The current reporting period covers a period of twelve (12) months from 1 January 2024 to 31 December 2024. Consequently, the comparative amount for the statements of profit or loss and comprehensive income, statements of changes in equity and statements of cash flows and related notes to the financial statements are not comparable.

37. Date of Authorisation for Issue

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

ANALYSIS OF **SHAREHOLDINGS**
AS AT 26 MARCH 2025

Total Issued Share : 944,884,476 Ordinary Shares
Types of Shares : Ordinary Share
Voting Rights : One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS AS AT 26 MARCH 2025

Size of Shareholdings	No. of Shareholders	No. of Shares	Percentage of Shareholdings (%)
Less than 100	103	4,138	0.0004
100 to 1,000	523	325,977	0.0345
1,001 to 10,000	1,349	8,828,808	0.9344
10,001 to 100,000	1,698	64,755,612	6.8533
100,001 to less than 5% of issued shares	482	506,844,441	53.6409
5% and above of issued shares	5	364,125,500	38.5365
Total	**4,160**	**944,884,476**	**100.0000**

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

		Direct Interest		Indirect Interest	
	Names	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	Datuk Jayakumar A/L Panneer Selvam	2,978,900	0.3153	17,877,700#	1.8921
2.	Dato' Sri Khazali Bin Haji Ahmad	-	-	-	-
3.	Datuk Mat Noor Bin Nawi	-	-	-	-
4.	Dato' Sheah Kok Fah	500,000	0.0529	-	-
5.	Puan Mohaini Binti Mohd Yusof	-	-	-	-

(#) *Deemed interested by virtue of his interest in Ultimate Quality Success Sdn Bhd and Rosetta Partners Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Indirect Interest	
	Names	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	Wong Thean Soon	207,448,300	21.9549	27,750,000	2.9369
2.	Datin Sri Lee Lan Moi	73,233,400	7.7505	-	-
3.	Jessie Lim Me Xian	68,200,000	7.2178		
4.	Transight Systems Sdn Bhd	64,775,800	6.8554	-	-

(#) *Deemed interested by virtue of his interest in Asia Internet Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

ANALYSIS OF SHAREHOLDINGS AS AT 26 MARCH 2025

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 26 MARCH 2025)

	Names	No. of Shares	Percentage of Shareholdings (%)
1.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG THEAN SOON	93,149,800	9.8583
2.	JESSIE LIM ME XIAN	69,400,000	7.3448
3.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG THEAN SOON	69,299,900	7.3342
4.	LEE LAN MOI	67,500,000	7.1437
5.	TRANSIGHT SYSTEMS SDN BHD	64,775,800	6.8554
6.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	46,500,000	4.9212
7.	AURA FOKUS SDN BHD	37,975,000	4.0190
8.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG THEAN SOON	37,300,000	3.9476
9.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD ONE IFC RESIDENCE SDN BHD	30,000,000	3.1750
10.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ASIA INTERNET HOLDINGS SDN BHD	23,250,000	2.4606
11.	HILLCOVE SDN.BHD.	22,110,000	2.3400
12.	MALACCA SECURITIES SDN BHD IVT(006) TEAM MK01	14,700,000	1.5557
13.	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB INVESTMENT BANK BERHAD (88008208-PB)	10,827,200	1.1459
14.	LIM KOK HAN	10,227,400	1.0824
15.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHEN VOON	7,557,000	0.7998
16.	RICKOH CORPORATION SDN BHD	7,494,600	0.7932
17.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR WONG THEAN SOON (PB)	7,200,000	0.7620
18.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG (MY1989)	6,180,310	0.6541
19.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHEN VOON	5,982,400	0.6331
20.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JAYAKUMAR A/L PANNEER SELVAM	5,500,000	0.5821
21.	LIM YAT KIM	4,700,000	0.4974
22.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHUA SUAT MOI	4,431,806	0.4690
23.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH CHENG HOE (M01)	4,400,000	0.4657
24.	QUEK TEE KIAM	4,304,000	0.4555
25.	PREMIUM HILL MARKETING SDN. BHD.	3,946,100	0.4176
26.	CHIANG KAI LOON	3,700,000	0.3916
27.	K MAYAH A/P KUPPUSAMY @ NAGHURAN	3,517,900	0.3723
28.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN CHIN SEONG (7014455)	3,500,000	0.3704
29.	PACIFIC TRUSTEES BERHAD FOR ULTIMATE QUALITY SUCCESS SDN BHD	3,426,700	0.3627
30.	PINANG INOVASI SDN BHD	3,364,000	0.3560

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Forty-Fifth Annual General Meeting ("**45th AGM**") of the Company will be held at Auditorium, Level LG1, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Wednesday, 18 June 2025 at 2.30 p.m. or at any adjournment thereof for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. — **Please refer to Explanatory Note to Ordinary Business**

2. To re-elect the following Directors who retire pursuant to Clause 105 of the Company's Constitution and who being eligible, have offered themselves for re-election: -

   (a) Datuk Jayakumar A/L Panneer Selvam — **Ordinary Resolution 1**
   (b) Puan Mohaini Binti Mohd Yusof — **Ordinary Resolution 2**

3. To approve the payment of Directors' fees amounting to RM420,000 to the Directors of the Company for the financial year ended 31 December 2024. — **Ordinary Resolution 3**

4. To approve the payment of meeting allowances to the Directors up to an amount of RM90,000 from the 45th AGM up to the conclusion of the Forty-Sixth (46th) Annual General Meeting. — **Ordinary Resolution 4**

5. To re-appoint Messrs UHY Malaysia PLT as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting at such remuneration to be determined by the Directors of the Company. — **Ordinary Resolution 5**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

6. Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016 — **Ordinary Resolution 6**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to 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 issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

   AND THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 61 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Companies Act 2016."

7. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 & SSM PC No. 202208000250)
TAN LAY KHOON (MAICSA 7077867 & SSM PC No. 202208000544)
Company Secretaries

Kuala Lumpur
Dated : 30 April 2025

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, voting at the 45th AGM will be conducted by poll rather than a show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the poll results, respectively.

2. A member entitled to attend and vote at this general meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the general meeting shall have the same rights as the member to speak at the Meeting.

3. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

4. Where a member is an Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

5. In the case of an individual, the Form of Proxy shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorised.

6. For the purpose of determining a member who shall be entitled to attend the 45th AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 9 June 2025. Only a depositor whose name appears on the Record of the Depositor as at 9 June 2025 shall be entitled to attend the said general meeting or appoint proxies to attend and/or vote on his/her behalf.

7. To be valid, the Form of Proxy duly completed and signed must be deposited at the Share Registrar's Office, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the general meeting (not later than Monday, 16 June 2025 at 2.30p.m.) or any adjournment thereof.

Explanatory Notes to Ordinary Business:

a. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2024

   This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

Explanatory Notes:

a. Ordinary Resolution 1 to 2 – Re-election of the Directors who retire pursuant to the Clause 105 of the Company's Constitution

   (a) Datuk Jayakumar A/L Panneer Selvam and Puan Mohaini Binti Mohd Yusof ("**the Retiring Directors**") who are standing for re-election as the Directors of the Company pursuant to the Clause 105 at the forthcoming 45th AGM and who are being eligible for re-election have offered themselves for re-election in accordance with the Company's Constitution.

   The Board of Directors through the Nomination and Remuneration Committee has deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the respective Director concerned) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

NOTICE OF ANNUAL GENERAL MEETING

b. Ordinary Resolution 6 - Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution 6 if passed, is a renewal of general mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fundraising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company.

Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, the Company has not issued any new shares pursuant to the general mandate obtained during the previous Annual General Meeting held on 19 June 2024. Hence, no proceeds were raised from the previous general mandate.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 61 of the Constitution of the Company, the 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 or other convertible securities.

The proposed Ordinary Resolution 6, if passed, would allow the Directors to issue new shares to any person under the general mandate without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities:-

1. Details of individual who are standing for election as Directors (excluding Directors for re-election).

   No individual is seeking election as a Director at the 45th AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Listing Requirements of Bursa Securities.

   The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 is set out under Explanatory Note.

cuscapi®

CUSCAPI BERHAD
[Registration No. 197801006160 (43190-H)]

FORM OF PROXY

No. of Shares Held	
CDS Account No.	

I/We ______________________________ I.C./Passport/Company No. ______________________

of ____

being a member/members of CUSCAPI BERHAD hereby appoint ______________________________

I.C./Passport/Company No. ______________________ Email Address: ______________________

of ____

or failing him/her, ______________________ I.C./Passport/Company No. ______________________

Email Address: ______________________ of ______________________

____

or* the CHAIRMAN OF THE MEETING* as *my/our Proxy(ies) to vote for *me/us and act on *my/our behalf at the Forty-Fifth Annual General Meeting ("**45th AGM**") of the Company will be held at Auditorium, Level LG1, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, on Wednesday, 18 June 2025 at 2.30 p.m. or at any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to the voting is given, the Proxy will vote or abstain from voting at his/her discretion.

		FOR	AGAINST
ORDINARY RESOLUTION 1	To re-elect Datuk Jayakumar A/L Panneer Selvam who retires in accordance with Clause 105 of the Company's Constitution.		
ORDINARY RESOLUTION 2	To re-elect Puan Mohaini Binti Mohd Yusof who retires in accordance with Clause 105 of the Company's Constitution.		
ORDINARY RESOLUTION 3	To approve the payment of Directors' fees amounting to RM420,000 to the Directors of the Company for the financial year ended 31 December 2024.		
ORDINARY RESOLUTION 4	To approve the payment of meeting allowances to the Directors up to an amount of RM90,000 from the 45th AGM until the conclusion of the Forty-Sixth (46th) Annual General Meeting.		
ORDINARY RESOLUTION 5	To re-appoint Messrs UHY Malaysia PLT as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting at such remuneration to be determined by the Directors of the Company.		
ORDINARY RESOLUTION 6	To grant authority to Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

Signed this............. day of 2025

....
Signature of Shareholder(s)

The proportions of my/our holdings to be represented by my/our proxies are as follows:-

First Proxy
No. of Shares: …………………………….
Percentage : ……………………………..%

Second Proxy
No. of Shares: …………………………….
Percentage : ……………………………..%

NOTES:
1. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, voting at the 45th AGM will be conducted by poll rather than a show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the poll results, respectively.
2. A member entitled to attend and vote at this general meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the general meeting shall have the same rights as the member to speak at the Meeting.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. In the case of an individual, the Form of Proxy shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorised.
6. For the purpose of determining a member who shall be entitled to attend the 45th AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 9 June 2025. Only a depositor whose name appears on the Record of the Depositor as at 9 June 2025 shall be entitled to attend the said general meeting or appoint proxies to attend and/or vote on his/her behalf.
7. To be valid, the Form of Proxy form duly completed and signed must be deposited at the Share Registrar's Office, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the general meeting (not later than Monday, 16 June 2025 at 2.30 p.m.) or any adjournment thereof.

Fold this flap for sealing

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AFFIX STAMP

The Share Registrar of

CUSCAPI BERHAD
[Registration No. 197801006160 (43190-H)]
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No.1, Medan Syed Putra Utara,
59200 Kuala Lumpur,
Wilayah Persekutuan.

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