

**SECURE  
METRIC**  
— BERHAD —

201701019864 (1234029-D)



**FORMULA FOR STRONG DIGITAL SECURITY**

# **ANNUAL REPORT 2024**

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## 8<sup>th</sup> ANNUAL GENERAL MEETING



Auditorium @ Resource  
Centre (MRANTI), Taman  
Teknologi Mranti,  
Lebuhraya Puchong-Sg  
Besi, 57000 Bukit Jalil,  
Kuala Lumpur



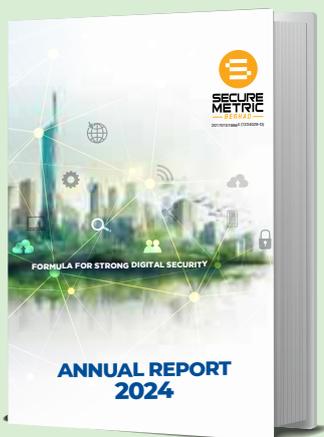
Thursday  
29 May 2025



2.30 pm



# FORMULA FOR STRONG DIGITAL SECURITY



Strong security methodology to effectively combat today's increasing digital threats is our top business priority.

## Introduction

**Securemetric Berhad** ("Securemetric" or "the Company") was incorporated as a Private Limited Company in Malaysia on 6 June 2017 and converted into Public Limited Company on 12 September 2017. The Company was listed on 13 November 2018 on the ACE Market of Bursa Malaysia Securities Berhad.

Securemetric and its subsidiaries ("the Group") is a leading regional player in the field of digital security by providing digital security solutions as well as trading of electronic identification products, and other related services across Southeast Asia.

The Group's clientele includes government organisations, accounting industries, financial institutions, Public Certification Authorities, software development companies and IT service providers.

The Group is armed with in-house expertise in the areas of software licensing protection dongles, two-factor authentication ("2FA"), public key infrastructure ("PKI"), centralised authentication management systems ("CENTAGATE®") and electronic identification products.

## VISION

To be your trusted digital security partner.

## MISSION

Securing the world's digital economy transformation today, tomorrow and beyond.

## VALUES

### Customers' KPIs as our Priority

The Group believes that by prioritising our customers' KPIs, the Group is able to deliver exceptional value and service, and build long-term relationships with our customers based on trust, collaboration, and mutual success.

### Industry Know-How

Our industry know-how is a key differentiator that sets us apart from our competitors and allows us to deliver the best possible products or services to our customers. The Group is committed to staying at the forefront of our industry and leveraging our expertise to help our customers succeed.

### Technical Know-How

The Group's team of experts have a strong technical foundation and strive to stay up to date with the latest technologies, tools, and techniques. They use their technical know-how to design, develop, and implement innovative solutions that meet customers' unique needs and requirements. They also solve complex problems, optimise processes, and ensure high-quality standards for their products or services using their technical expertise.

### Sharing of Knowledge

The Group values the importance of sharing knowledge and expertise with customers, partners, and the community to drive innovation and achieve success in today's rapidly changing business world. The Group actively encourages employees to share their knowledge and participate in industry associations, conferences, and events to network with other experts and share best practices and insights.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<b>Clifton Heath Fernandez</b>	Independent Non-Executive Chairman
<b>Dato' Ng Wan Peng</b>	Independent Non-Executive Director
<b>Shireen Chia Yin Ting</b>	Independent Non-Executive Director
<b>Law Seeh Key</b>	Non-Independent Executive Director/ Chief Executive Officer
<b>Yong Kim Fui</b>	Non-Independent Executive Director/ Chief Financial Officer

#### CIMB Bank Berhad

[Registration No.: 197201001799  
(13491-P)]  
Ground Floor Wisma Genting  
28, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Wilayah Persekutuan, Malaysia  
Tel: 03-2039 3124  
Fax: 03-2031 6320

#### SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.  
[Registration No.: 199601006647  
(378993-D)]  
11th Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor, Malaysia  
Tel: 03-7890 4700  
Fax: 03-7890 4670  
Email address: bsr.helpdesk@  
boardroomlimited.com

#### AUDIT COMMITTEE

**Shireen Chia Yin Ting**, *Chairperson*  
**Dato' Ng Wan Peng**, *Member*  
**Clifton Heath Fernandez**, *Member*

#### RISK MANAGEMENT COMMITTEE

**Clifton Heath Fernandez**  
*Chairman*  
**Dato' Ng Wan Peng**  
*Member*  
**Shireen Chia Yin Ting**  
*Member*  
**Yong Kim Fui**  
*Member*  
**Nioo Yu Siong**  
*Member*

#### REMUNERATION COMMITTEE

**Shireen Chia Yin Ting**  
*Chairperson*  
**Dato' Ng Wan Peng**  
*Member*  
**Clifton Heath Fernandez**  
*Member*

#### NOMINATION COMMITTEE

**Dato' Ng Wan Peng**, *Chairperson*  
**Clifton Heath Fernandez**, *Member*  
**Shireen Chia Yin Ting**, *Member*

#### 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, Malaysia  
Tel: 03-2279 3088  
Fax: 03-2279 3099

#### COMPANY SECRETARY

Tan Kok Aun (MACS 01564)  
SSM Practicing Certificate No.  
201908003805

#### PRINCIPAL BANKERS

**AmBank (M) Berhad**  
[Registration No.: 196901000166  
(8515-D)]  
24 & 26 Jalan Hujan Rahmat 2  
Overseas Union Garden  
Off Jalan Klang Lama  
58200 Kuala Lumpur, Malaysia  
Tel: 03-7784 7035  
Fax: 03-7784 7041

#### REGISTERED OFFICE

PCA Corporate Advisory PLT  
No. 3A, Mezzanine Floor  
Jalan Ipoh Kecil  
50350 Kuala Lumpur  
Wilayah Persekutuan, Malaysia  
Tel: 03-4043 5750  
Fax: 03-4043 5755  
Email address: pcaadvkl@gmail.com

#### CORPORATE OFFICE

Unit 2-12-01, Level 12  
Ho Hup Tower  
No.1, Persiaran Jalil 1  
Bandar Bukit Jalil  
57000 Kuala Lumpur  
Wilayah Persekutuan, Malaysia  
Tel: 03-4818 8225  
Website: www.securemetric.com  
Email address: ir@securemetric.com

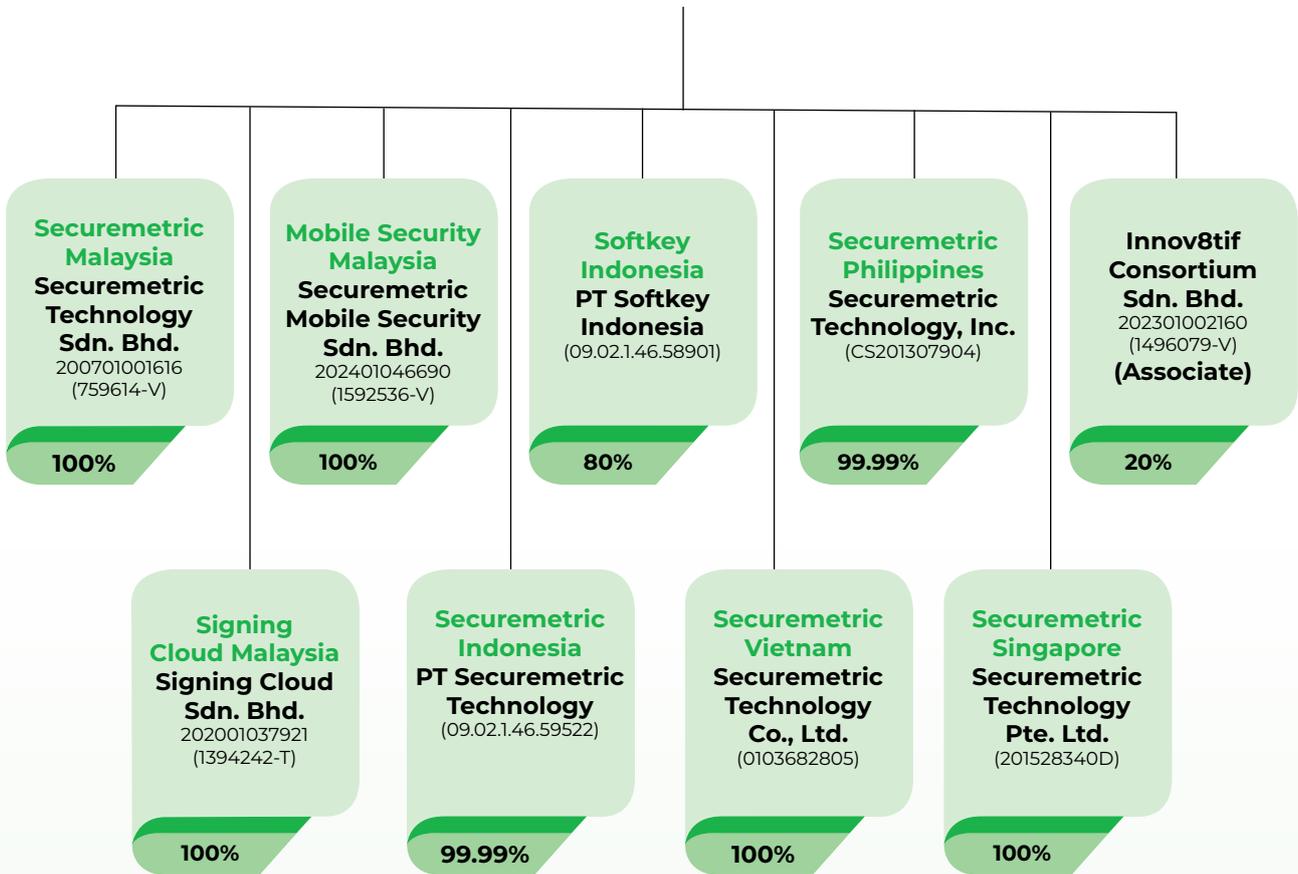
#### STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia  
Securities Berhad  
Stock Name: SMETRIC  
Stock Code: 0203

# CORPORATE STRUCTURE



**SECURE  
METRIC**  
— BERHAD —

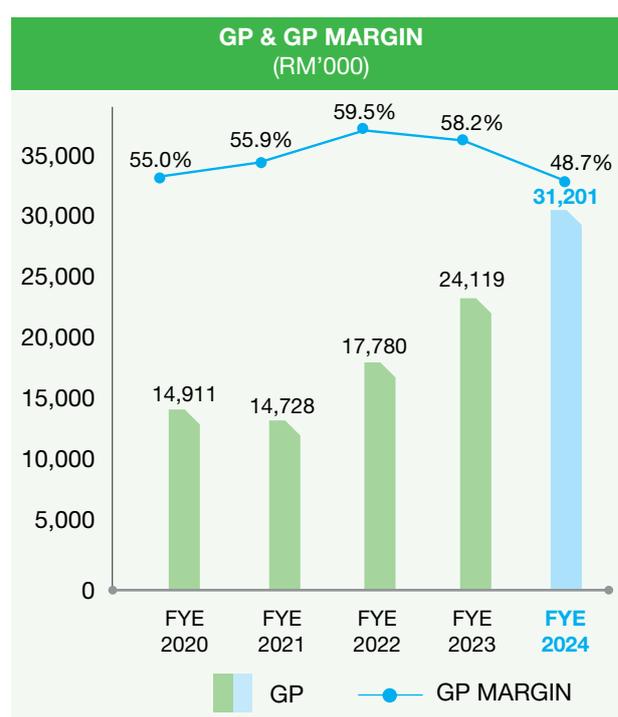


## FINANCIAL HIGHLIGHTS

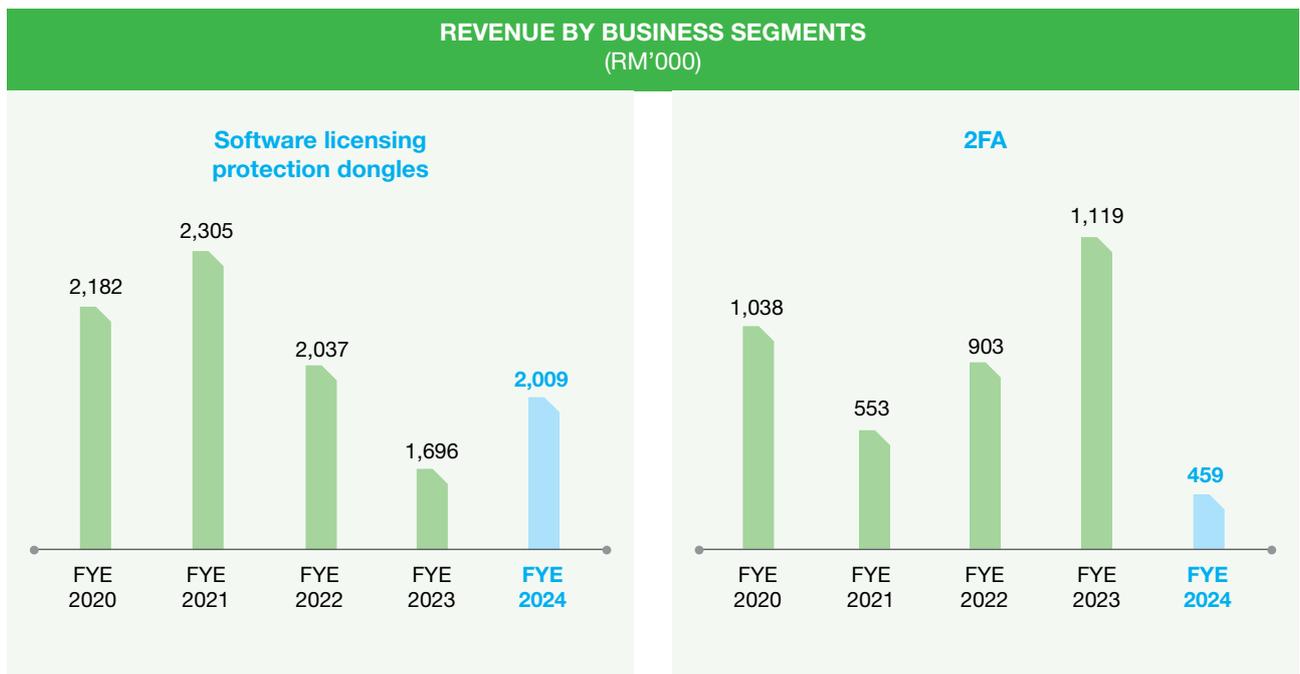
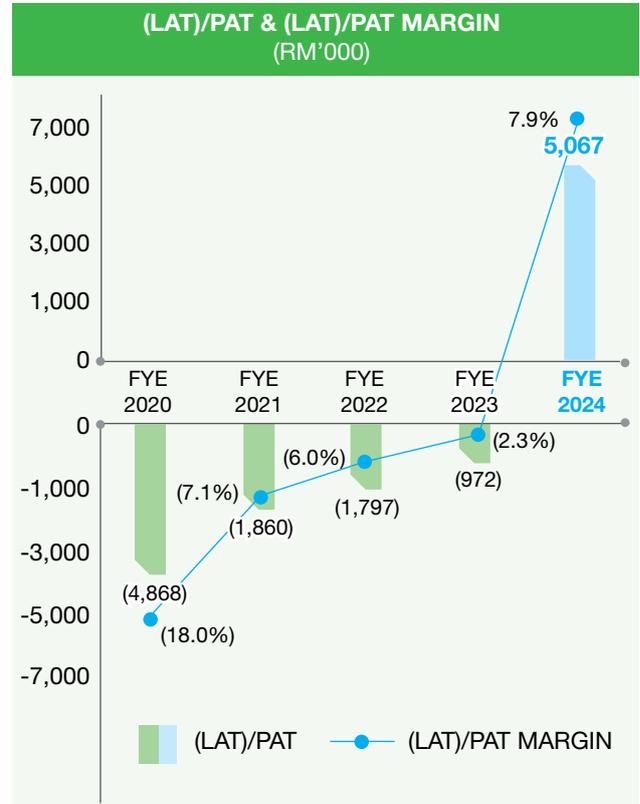
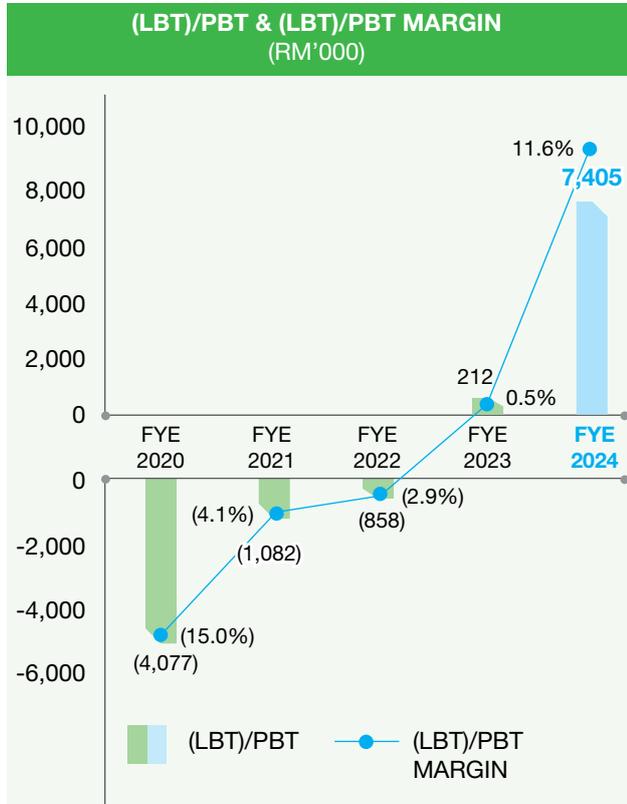
	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
<b>PROFITABILITY</b>					
Revenue	27,098	26,355	29,885	41,448	<b>64,008</b>
Gross profit ("GP")	14,911	14,728	17,780	24,119	<b>31,201</b>
(Loss)/Profit before tax ("LBT"/ "PBT")	(4,077)	(1,082)	(858)	212	<b>7,405</b>
(Loss)/Profit after tax ("LAT"/ "PAT")	(4,868)	(1,860)	(1,797)	(972)	<b>5,067</b>
Net (loss)/profit attributable to owners of the Company	(4,852)	(1,846)	(1,723)	(891)	<b>5,066</b>
<b>FINANCIAL POSITION</b>					
Total assets	48,871	55,264	57,216	58,695	<b>66,265</b>
Equity attributable to owners of the Company	38,705	42,633	40,676	40,968	<b>44,274</b>
Total borrowings	630	1,355	945	1,643	<b>2,967</b>
Weighted average number of ordinary shares ('000)	512,583	552,775	576,506	577,043	<b>577,066</b>
<b>SHARE INFORMATION</b>					
(Loss)/Earnings per share ("LPS"/ "EPS") (sen)	(0.9)	(0.3)	(0.3)	(0.15)	<b>0.88</b>
Net assets per share attributable to owners of the Company (sen)	7.2 <sup>(1)</sup>	7.4 <sup>(1)</sup>	7.1 <sup>(1)</sup>	7.1 <sup>(1)</sup>	<b>7.7 <sup>(1)</sup></b>
Gross gearing ratio (times)	0.02	0.03	0.02	0.04	<b>0.07</b>

### Notes:

<sup>(1)</sup> The net assets per share attributable to owners of the Company is based on actual number of ordinary shares in issue.

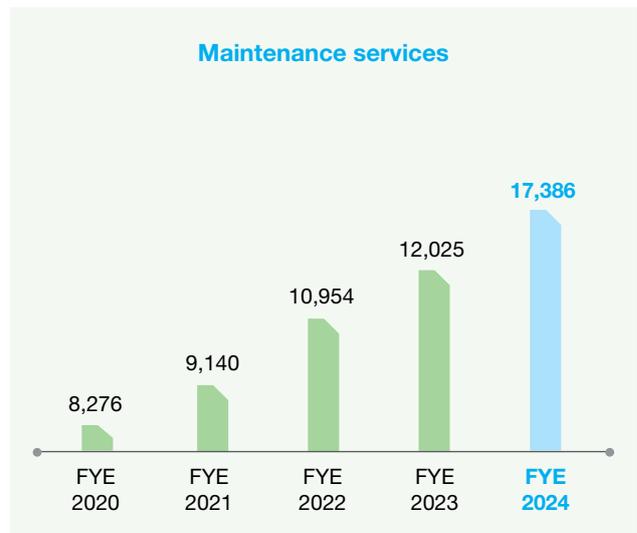
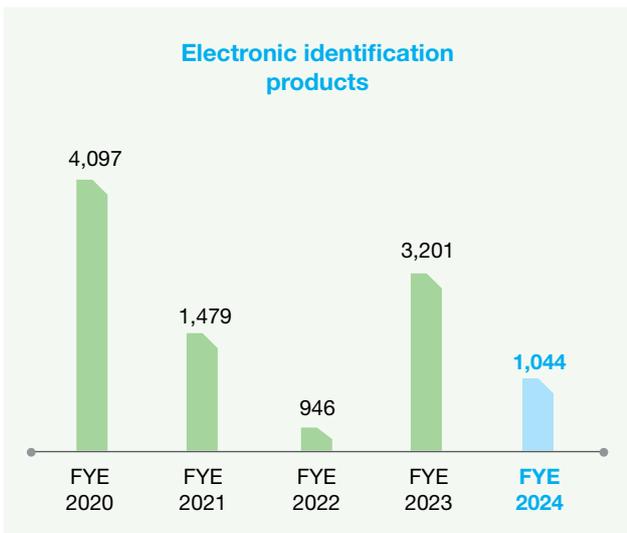
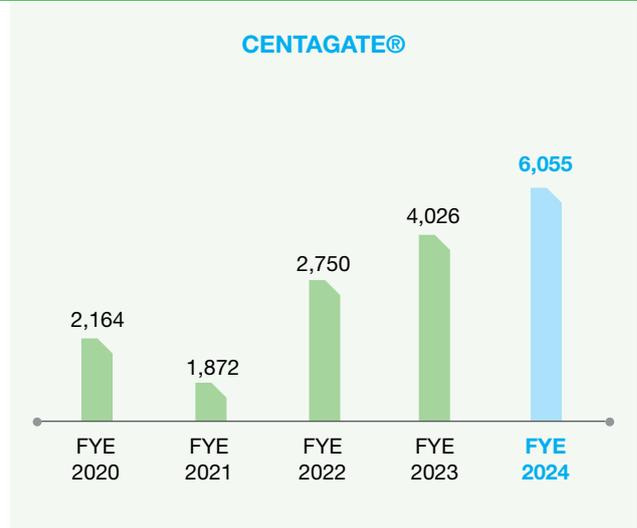


FINANCIAL HIGHLIGHTS  
(CONT'D)



FINANCIAL HIGHLIGHTS  
(CONT'D)

**REVENUE BY BUSINESS SEGMENTS**  
(RM'000)



# CHAIRMAN'S STATEMENT



*It is my pleasure, on behalf of the Board of Directors ("Board") of Securemetric, to present the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2024 ("FYE 2024").*

CLIFTON HEATH FERNANDEZ  
*Independent Non-Executive Chairman*

CHAIRMAN'S STATEMENT  
(CONT'D)

FYE 2024 presented significant challenges, with various external factors impacting the global economic and business landscape. Despite these uncertainties, the Group maintained stable and resilient operations, achieving both revenue growth and profitability. With accelerating global digitalisation and the rising demand for digital security solutions and services, the Group is well-positioned to capitalise on these opportunities and sustain long-term growth.

## FINANCIAL HIGHLIGHTS

In FYE 2024, the Group recorded revenue of RM 64.01 million, an increase of RM22.56 million from RM41.45 million recorded in FYE 2023. The increase in revenue was mainly due to the increase in revenue from digital security solutions, maintenance services and other related services. However, the increase was offset by the decrease in revenue from electronic identification products.

Profit after tax and after non-controlling interests stood at RM5.07 million, which represents an improvement of RM5.96 million as compared to loss after tax and after non-controlling interests of RM0.89 million in the previous financial year. The improvement was mainly due to higher gross profit resulting from the increase in revenue in FYE 2024.

The Group's cash reserve continues to be at a healthy level of RM24.64 million. In view of this, the Group is well-positioned to not only weather the current economic climate but also to expand its businesses, as and when opportunity arises.

For a more in-depth analysis of Securemetric's financial and operational performance, please refer to the Management Discussion & Analysis section of this Annual Report.

## ECONOMIC OUTLOOK AND PROSPECTS

In 2024, the global economy continued its post-pandemic recovery, with moderated inflation and persistent challenges from geopolitical tensions and trade policies.

According to the International Monetary Fund ("IMF"), global Gross Domestic Product (GDP) growth is projected at 3.3% in 2025 and 2026, slightly higher than 3.2% in 2024. Meanwhile, global inflation is expected to decline to 4.2% in 2025 and 3.5% in 2026. The economic outlook remains uncertain, with key risks including inflationary pressures, shifting interest rates, trade disruptions, and geopolitical tensions. Balancing inflation control, financial stability, and long-term resilience will be essential.

*(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>)*

On the local front, Malaysia demonstrated encouraging signs of growth and stability, recording GDP growth of 5.1% in 2024 (2023: 3.6%), with quarterly growth of 5.4% and 5.0% in the third and fourth quarters, respectively. Growth was primarily driven by strong domestic demand, supported by sustained household spending, investment activity, and policy measures. External demand also improved, with a rebound in exports contributing to overall economic expansion. Meanwhile, headline inflation remained stable at 1.9% and 1.8% in the third and fourth quarters, respectively, bringing the annual rate down to 1.8% (2023: 2.5%).

*(Source: [https://www.bnm.gov.my/-/qb24q4\\_en\\_pr](https://www.bnm.gov.my/-/qb24q4_en_pr))*

Malaysia's strong growth momentum is expected to continue, with GDP growth projected at 4.7% in 2025. However, inflation is anticipated to rise to 2.6%, mainly due to fuel subsidy reforms. While external challenges such as geopolitical tensions and slower global growth pose risks, accelerated investments and structural reforms in tax efficiency, digital transformation, and sustainability will drive long-term resilience.

*(Source: [https://www.imf.org/en/News/Articles/2025/03/02/pr25050-malaysia-imf-executive-board-concludes-2025-article-iv-consultation#\\_ftn1](https://www.imf.org/en/News/Articles/2025/03/02/pr25050-malaysia-imf-executive-board-concludes-2025-article-iv-consultation#_ftn1))*

## CHAIRMAN'S STATEMENT (CONT'D)

As digital transformation accelerates nationwide, both the government and private sector continue to drive digital adoption across industries. The MyDIGITAL initiative, under the Malaysia Digital Economy Blueprint, aims to position the nation as a high-income, digitally driven economy and a regional leader by 2030.

Amid this evolving landscape, the digital security sector is set for significant expansion, driven by rising cyber threats and increasing dependence on digital technologies. With a growing emphasis on data protection, demand for cybersecurity and mobile security solutions will continue to rise, ensuring secure access and safeguarding sensitive information.

Leveraging its expertise in digital security, the Group is well-positioned to capitalise on these opportunities while maintaining a strong focus on cost optimisation and sustainable growth. Through continuous innovation and alignment with market trends, the Group aims to enhance its service offerings, expand its regional presence, and strengthen its competitive edge.

In line with its strategic objectives, the Group will continue to pursue new business opportunities, establish strategic partnerships, expand its network, and enhance sales and marketing initiatives to drive revenue growth and market penetration.

Additionally, the Group remains committed to optimising its product offerings to meet evolving market demands. To improve operational efficiency, the Group has implemented proactive cost-control measures, including expense monitoring and cross-training staff to enhance functional versatility.

The Board remains confident in the Group's ability to navigate challenges and is cautiously optimistic about its prospects for the financial year ending 31 December 2025.

### APPRECIATION

On behalf of Securemetric's Board, I would like to express my sincere appreciation to our management team and all employees for their hard work and dedication contributing towards the Group's well-being.

My heartfelt thanks to our valued shareholders, customers, business partners, suppliers, bankers, business associates, government agencies and regulatory authorities. Your continued support and trust in the Group is greatly appreciated.

We remain committed to delivering long-term value for the shareholders. Together, we will grow stronger as we progress into a new decade.



# MANAGEMENT DISCUSSION & ANALYSIS

*We hereby present our Group’s Management Discussion & Analysis Statement for the FYE 2024*

**“In 2024, our Group demonstrated strong performance, achieving higher revenue and net profit after tax compared to FYE 2023. Despite global economic uncertainties, we remained committed to our strategic goals, leveraging our diverse presence and technological capabilities to drive resilience and adaptability. Looking ahead, we are confident in our ability to navigate uncertainties and capture sustainable growth opportunities.”**

## 1. OVERVIEW OF THE GROUP’S BUSINESSES AND OPERATIONS

### 1.1 Core Business and Operations of the Group

The Group is principally involved in the provision of digital security solutions as well as trading of electronic identification products and other related services. Our Group has offices in Malaysia, Vietnam, the Philippines, Indonesia and Singapore.

Within our Group, Securemetric Malaysia is responsible for research and development (R&D) of software licensing protection dongles, 2FA and PKI. Securemetric Malaysia is also involved in project implementation, as well as the sales and marketing of digital security solutions, maintenance services, other related services, and electronic identification products.

Signing Cloud Malaysia is responsible for R&D, project implementation, and the sales and marketing of CENTAGATE®, as well as our in-house developed digital signing solution. Signing Cloud Malaysia is also involved in sales and marketing of maintenance services and other related services.

Securemetric Vietnam, Securemetric Philippines and Securemetric Indonesia are primarily accountable for the implementation of projects related to the provision of digital security solutions, maintenance services and other related services as well as being responsible for the sales and marketing of electronic identification products. Meanwhile, Securemetric Singapore and Softkey Indonesia focus only on the sales and marketing of electronic identification products and other related services.

On 6 November 2024, the Group incorporated a wholly owned subsidiary, Securemetric Mobile Security Sdn. Bhd. to focus on R&D for mobile security solutions and other related services.

The Group’s core business segments are as follows:

Segments	Principal activities
<b>Digital security solutions</b>	
<ul style="list-style-type: none"> <li>Software licensing protection dongles</li> </ul>	For prevention of unauthorised access, copy, imitation and distribution of software. To protect parties with exclusive rights and ensure only paying customers have access.
<ul style="list-style-type: none"> <li>2FA</li> </ul>	Aims to enhance access security by enforcing a second authentication factor, a randomly generated One-Time Password.
<ul style="list-style-type: none"> <li>PKI</li> </ul>	To ensure that the sender of data is indeed the source and that the said data has not tampered in transit.
<ul style="list-style-type: none"> <li>CENTAGATE®</li> </ul>	An inclusive software that manages user authentication and supports multi-factor and multi-channel authentication and digital signing solution (“SigningCloud”).

## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### 1. OVERVIEW OF THE GROUP'S BUSINESSES AND OPERATIONS (CONT'D)

#### 1.1 Core Business and Operations of the Group (Cont'd)

Segments	Principal activities
<b>Electronic identification products</b>	We purchase third party branded electronic identification products from product principals for onward sale to our customers.
<b>Maintenance services</b>	Maintenance services arising from service level agreements following the completion of projects, with renewal option.
<b>Other related services</b>	We purchase other solutions, applications and products for onward sale to our customers.

### 2. REVIEW OF FINANCIAL RESULTS

The Group registered total revenue of RM64.01 million in FYE 2024 as compared to RM41.45 million in the preceding financial year. On a year-on-year ("y-o-y") basis, the Group's revenue has increased by RM22.56 million or 54.4% due to increase in revenue from digital security solutions, maintenance services and other related services. However, the increase was offset by the decrease in revenue from electronic identification products.

Our GP margin decreased by 9.5% y-o-y from 58.2% in FYE 2023 to 48.7% in FYE 2024. Despite registered a decline in GP margin, our GP increased by 29.4% from RM24.12 million in FYE 2023 to RM31.20 million in FYE 2024. The increase in GP was mainly driven by higher revenue from digital security solutions, maintenance services and other related services, resulting in higher profitability.

Administrative expenses decreased by 5.2% y-o-y to RM25.38 million, mainly due to lower impairment losses on investments, partially offset by higher payroll costs from the hiring of additional technical personnel during the financial year under review.

The Group recorded a profit before tax of RM7.40 million in FYE 2024, an improvement of 3394.7% as compared to a profit before tax of RM0.21 million in FYE 2023.

The Group reported a profit after tax ("PAT") of RM5.07 million in FYE 2024 as compared to loss after tax ("LAT") of RM0.97 million in FYE 2023, translating to PAT margin of 7.9% and LAT margin -2.3%.

The Group maintained a healthy financial position with RM24.64 million in cash and cash equivalents at the end of the financial year under review. Further to this, total assets have increased to RM66.26 million from RM58.69 million recorded in the last financial year, while shareholders' equity stood at RM44.27 million as of 31 December 2024, compared to RM40.97 million in the last financial year. This resulted in net assets per share of 7.67 sen as of 31 December 2024, from 7.10 sen as of 31 December 2023.

Geographically, Malaysia contributed around 26.4% to the Group's revenue, with the balance from the Philippines (33.0%), Vietnam (13.0%), Indonesia (14.0%), Singapore (8.4%) and others (5.2%).

#### Digital Security Solutions

The digital security solutions segment contributed to the biggest revenue in FYE 2024. This segment delivered a total revenue of RM27.51 million to the Group, which is a 10.3% y-o-y increase from RM24.94 million in FYE 2023. The increase in revenue from this segment was mainly from the increase in PKI and CENTAGATE® revenue.

#### Electronic Identification Products

For FYE 2024, the electronic identification products segment contributed RM1.04 million to the Group's overall revenue. In comparison to the revenue recorded in FYE 2023, this represents a decline of RM2.16 million or 67.4% y-o-y from RM3.20 million. The lower revenue contribution was mainly from Securemetric Malaysia.

## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### 2. REVIEW OF FINANCIAL RESULTS (CONT'D)

#### Maintenance Services

The maintenance services segment contributed RM17.39 million to the Group's overall revenue, representing a 44.6% y-o-y increase from RM12.03 million in FYE 2023. The increase in revenue mainly due to the continuous enlargement of the Group's client base.

#### Other Related Services

The Group's other business segments comprise mainly other solutions, applications and products. This segment contributed RM18.07 million to the Group's overall revenue, representing a 1311.7% y-o-y increase from RM1.28 million in FYE 2023. The increase in revenue contribution was mainly from Securemetric Malaysia and Securemetric Philippines.

### 3. OPERATIONS REVIEW

Amidst challenging economic conditions, the Group manages to secure new contracts for providing digital security solutions, electronic identification products and other solutions, applications and products in the countries where it operates. Furthermore, the Group delivers reliable maintenance and support contracts to both its current and potential customers.

### 4. FUTURE PROSPECTS

As we enter the new financial year, we remain cautiously optimistic. Despite macroeconomic uncertainties, the global shift towards digitalisation and automation presents growth opportunities that align with our business model.

The increasing reliance on Information Technology (IT) systems by businesses and governments, underscores the growing importance of cybersecurity. As digital transformation accelerates, organisations of all sizes are prioritising security to safeguard their operations and data.

Reflecting this trend, the global cybersecurity market is projected to grow from USD 243.15 billion in 2024 to USD 267.51 billion in 2025, with a 10.0% compound annual growth rate ("CAGR"), reaching USD 434.76 billion in 2029 at a 12.9% CAGR.

(Source: <https://www.thebusinessresearchcompany.com/report/cybersecurity-global-market-report>)

Similarly, the Asia Pacific cybersecurity market is expected to expand at a 11.69% CAGR from 2025 to 2033, reaching USD 131.59 billion by 2033 from USD 54.34 billion in 2025.

(Source: <https://www.marketdataforecast.com/market-reports/apac-cyber-security-Market>)

In Malaysia, the cybersecurity market is estimated to grow at a 17.05% CAGR, reaching USD 4.53 billion by 2033.

(Source: <https://www.sperresearch.com/report-store/malaysia-cybersecurity-market.aspx>)

These projections highlight the increasing demand for cybersecurity solutions and the industry's strong growth potential. With our expertise in PKI and other areas of digital security such as CENTAGATE® and SigningCloud, we are strategically positioned to leverage the momentum of digitalisation. This places us in a pivotal role in safeguarding cyber assets and transactions.

In addition, the Group remains committed to continuously innovating with the latest digital security technologies to meet evolving market needs and demands.

Beyond strengthening its core business, the Group will actively explore merger and acquisition opportunities that complement its overall business activities and strategic direction.

The Group remains optimistic about the economic outlook in Malaysia and Asia Pacific in the coming year. We anticipate continued growth in financial performance as we execute our strategic business plan and capitalise on emerging opportunities.

## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### 5. ANTICIPATED OR KNOWN RISKS

#### Rapid changes in technological development

The technology industry is rapidly evolving, presenting both opportunities and challenges. The Group's growth and sustainability depend on continuous innovation, as its products and services are technology driven. The Group actively invests in research and development, ensuring our solutions adapt to changing market demands. The Group prioritise the timely and cost-effective development of new business software solutions, while emphasising staff development to keep our employees' skills aligned with the latest technological advancements.

#### Dependence on key and technical personnel

The Group recognises that its long-term success relies on the expertise and contributions of key management and technical personnel. The departure of these individuals could impact operational continuity and competitiveness. The Group implements structured talent retention and acquisition strategies, including competitive remuneration packages, employee benefits, and incentive programs designed to foster long-term commitment. At the same time, the Group regularly reviews its remuneration packages to remain competitive in attracting and retaining top talent.

Additionally, the Group is committed to leadership continuity through structured training, mentorship, and career development programs for young management personnel. These initiatives prepare future leaders and ensure a seamless transition within the management team.

Furthermore, the Group believes that the e-commerce sector offers a strong talent pool and remains confident in its ability to recruit qualified professionals as needed, ensuring sustained operational excellence and growth.

#### Credit risk

The uncertain global and modest domestic economies potentially pose a challenge to the Group's credit risk in relation to longer collection periods and potentially lead to loss arising from irrecoverable trade receivables. The Group seeks to limit this credit risk through prudent management policies, continuous review and evaluation of the credit status of trade receivables and association with creditworthy business partners.

#### Fluctuation in foreign currency exchange rates

The Group is exposed to transactional currency risks through sales and purchases conducted in currencies other than its functional currency. A substantial portion of purchases is denominated in United States Dollar and Euro, while expenses and sales in Malaysia are primarily in Ringgit Malaysia. Expenses in foreign subsidiaries are typically in their respective local currencies. The Group has no formal hedging policy for our foreign exchange exposure. Instead, it adopts an ongoing monitoring approach to ensure that net exposures remain within acceptable levels.

#### Political, economic and regulatory risks

Political and economic conditions, and regulatory development in Malaysia and other countries could have a significant effect on the performance of our Group. These political, economic and regulatory uncertainties include risk of social unrest; changes in political leadership and government policies such as new regulations, custom duties, interest rates, tariffs and taxes.

The immediate risk of a change in government or a shift in government policies or regulations affects the Group's business due to delays in rollout of projects or delays in delivering the shipment. Although such disruptions may sometimes turn into opportunities for the Group; when projects delay, costs will escalate, and both revenue and profits will be affected.

#### Ability to secure new projects and customers

Our financial performance is closely tied to our ability to secure contracts in a timely manner, as our core business is primarily project-based. Although we were able to generate higher recurring income through new projects and increased maintenance services revenue in FYE 2024, we cannot guarantee the sustainability of our order book. Failure to maintain a strong order book would significantly affect our financial performance and future prospects. As a strategy to mitigate over-reliance on project-based revenue, the Group will focus on growing its recurring income sources, thereby promoting sustainable growth.

## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### 6. DIVIDEND POLICY

Our Group presently does not have a fixed dividend policy or payout ratio. However, the Board will take into consideration a number of factors including the availability of adequate distributable reserves and cash flow, our operating cash flow requirements and financing commitments, our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans, any material impact of tax laws and other regulatory requirements, and prior approval from our banks, if any is required.

The Board does not recommend the payment of any dividend in respect of FYE 2024.



## PROFILE OF DIRECTORS

### CLIFTON HEATH FERNANDEZ

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Independent Non-Executive Chairman



Malaysian



Male



Age 53



#### Date of appointment:

2 February 2018

#### Board attendance in FYE 2024:

5/5

#### Membership of Board Committees:

Chairman of Risk Management Committee  
 Member of Audit Committee  
 Member of Remuneration Committee  
 Member of Nomination Committee

#### Qualification:

He is a fellow of the Chartered Certified Accountant (ACCA, UK). He holds a Chartered Accountancy and a Diploma in Management from The Malaysian Institute of Management (AMIM) and is a Certified Management System, Lead Auditor for ISO 9001 / 45001/ 14001 etc. He is also a Chartered Internal Auditor, IIA, C.A (M), Asean CPA and a member of Chartered Quality Institute, UK and INSOL International.

#### Working Experience:

He is currently the Training and Certification Director of Unicert International Sdn. Bhd. His career has encompassed a spectrum of industries, involving standards and improvement in projects, compliance, quality, financial, auditing, education, human resources and credit control. He conducts training, certification audit & placement consultancy for clients in Southeast Asia region.

He also acts as an independent reviewer and evaluation body to ensure that compliance issues/concerns with organisations are being appropriately evaluated, investigated and resolved.

#### Present Directorship in Public Company and Listed Entity:

Analabs Resources Berhad

#### Declaration:

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offenses within the last five (5) years other than traffic offenses, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS  
(CONT'D)

## SHIREEN CHIA YIN TING

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Independent Non-Executive Director



Malaysian



Female



Age 51



**Date of appointment:**

2 February 2018

**Board attendance in FYE 2024:**

5/5

**Membership of Board Committees:**

Chairperson of Audit Committee  
 Chairperson of Remuneration Committee  
 Member of Risk Management Committee  
 Member of Nomination Committee

**Qualification:**

She graduated in 1996 from Middlesex University, United Kingdom and she was certified as a Chartered Accountant by the Malaysian Institute of Accountants.

**Working Experience:**

Shireen holds a Bachelor of Arts in Accounting and Finance from Middlesex University, London, United Kingdom. With extensive financial expertise, Shireen has held Chief Financial Officer positions in multiple companies within the service industries. She currently serves as an Independent Non-Executive Director at Catcha Digital Berhad.

She also spent 11 years at AirAsia Berhad, where she was instrumental in enhancing the airline's cost efficiency and contributed to its successful listing on Bursa Malaysia (KLSE) in under five years.

**Present Directorship in Public Company and Listed Entity:**

Catcha Digital Berhad

**Declaration:**

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offences within the last five (5) years other than traffic offences, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS  
(CONT'D)

**DATO' NG WAN PENG**

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Independent Non-Executive Director



Malaysian



Female



Age 62



**Date of appointment:**

28 May 2021

**Board attendance in FYE 2024:**

5/5

**Membership of Board Committees:**

Chairperson of Nomination Committee  
 Member of Audit Committee  
 Member of Remuneration Committee  
 Member of Risk Management Committee

**Qualification:**

She graduated with a Bachelor of Computer Science from Universiti Sains Malaysia, she also has attended Senior Executive Leadership Program at Harvard Business School.

**Working Experience:**

Dato' Ng is a competent leader and highly motivated professional with more than 30 successful years in the corporate and GIC environment. Dato' Ng adopts results driven approach to planning and implementing comprehensive strategies in support of business goals and objectives.

Dato' Ng was the Chief Operation Officer of Malaysia Digital Economy Corporation.

**Present Directorship in Public Company and Listed Entity:**

Hong Leong Assurance Berhad  
 F&N Holdings Berhad  
 IRIS Corporation Berhad  
 Autocount Dotcom Berhad

**Declaration:**

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offences within the last five (5) years other than traffic offences, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS  
(CONT'D)

## LAW SEEH KEY

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Non-Independent Executive Director/  
Co-Founder/Chief Executive Officer



Malaysian



Male



Age 53



**Date of appointment:**

2 February 2018

**Board attendance in FYE 2024:**

5/5

**Membership of Board Committees:**

None

He is accountable for its overall strategic direction and oversees business development activities, particularly on significant projects and partnerships. In addition, he assumes the responsibility of identifying, examining, and assessing potential investment opportunities. With more than 20 years of experience in the ICT and digital security industry, he has a wealth of knowledge and expertise in this field.

**Qualification:**

He graduated with a degree in Bachelor of Science in Information System from Campbell University, North Carolina, United States of America in July 1996.

**Working Experience:**

He began his career with IBI Systems (M) Sdn. Bhd. in October 1996 as a Business Development Manager. He was responsible for setting up and managing computer retail chain outlets as well as leading the company’s sales division. In February 2001, he left IBI System (M) Sdn. Bhd. and co-founded Softkey Malaysia, where he was responsible for leading and managing its overall business operations and strategic direction.

In January 2007, he co-founded Securemetric Malaysia and assumed the role of Chief Executive Officer.

**Present Directorship in Public Company and Listed Entity:**

None

**Declaration:**

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offences within the last five (5) years other than traffic offences, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

## PROFILE OF DIRECTORS (CONT'D)

### YONG KIM FUI

Non-Independent Executive Director/  
Chief Financial Officer



Malaysian



Male



Age 53



#### Date of appointment:

2 February 2018

#### Board attendance in FYE 2024:

5/5

#### Membership of Board Committees:

Member of Risk Management  
Committee

He is responsible for planning, implementing, managing and overseeing financial and compliance management, as well as human resources oversight and related activities for the Group. Additionally, he plays a leading role in identifying, evaluating, and assessing potential investment opportunities. Moreover, he is accountable for the strategic planning and execution of various fundraising initiatives.

#### Qualification:

He graduated in 1996 from the University of Southern Queensland and is a registered member of the Malaysian Institute of Accountant. He is also a Certified Practising Accountant (CPA) in Australia.

#### Working Experience:

He began his career in accounting practice with Coopers & Lybrand (now known as PricewaterhouseCoopers) as auditor specialising in the financial and manufacturing sectors. During his tenure, he was exposed to transactions involving review of profit and cashflow forecast for corporate restructuring, tax investigation and review of financial statements for debt facilities and bonds.

Having garnered enough experience and expertise, he subsequently founded a company rendered accounting, taxation and advisory services targeting mainly SMEs to assist and support their growth. In December 2016, he left the company and joined Securemetric Malaysia as Chief Financial Officer overseeing the financial preparation process and issuance of financial information, tax, budgeting and capital planning, implementation of standard operating procedure for the finance division, and the implementation of ISO 9001, ISO 10002 and ISO 27001 for Securemetric Group. He was involved in assisting our Group to obtain a grant from the Ministry of Science, Technology and Innovation, fully in charge of Securemetric's listing exercise and successfully listed Securemetric in the ACE Market of Bursa Malaysia Securities Berhad. He successfully identified investors and facilitated the fundraising exercise.

#### Present Directorship in Public Company and Listed Entity:

Synergy House Berhad

#### Declaration:

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offences within the last five (5) years other than traffic offences, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

## PROFILE OF KEY SENIOR MANAGEMENT

### NIOO YU SIONG

Chief Operating Officer



Malaysian



Male



Age 51

#### Date of appointment:

17 January 2007

#### Membership of Board Committees:

Member of Risk Management Committee

He is responsible for our internal operations, including production planning, procurement, inventory management and logistics.

#### Qualification:

He graduated with a Diploma in Computer Engineering from Institut Teknologi Pertama, Kuala Lumpur in December 1995.

#### Working Experience:

He began his career with Computer Zone Sdn. Bhd. in May 1996, as a computer technician responsible for the assembly and repair of computers. In March 1997, he left Computer Zone Sdn. Bhd. to join PC Partners (Johor) Sdn. Bhd., a subsidiary of IBI Systems, as an Assistant Technical Manager. He led technical teams to provide on-site maintenance service, repair and assembly of new computers as well as the set-up of cybercafés through the provision of computer, network cabling and management systems. In April 2000, he left PC Partners (Johor) Sdn. Bhd. to join IBI Systems (M) Sdn. Bhd. as the Technical Manager responsible for overseeing technical teams located at company headquarters and branches. In March 2003, he left IBI Systems (M) Sdn. Bhd. to join Softkey Malaysia as Operations Manager responsible for overall internal operations.

In January 2007, he co-founded Securemetric Malaysia and assumed the position of Chief Operating Officer.

#### Present Directorship in Public Company and Listed Entity:

None

#### Declaration:

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offences within the last five (5) years other than traffic offences, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT  
(CONT'D)

**WO SWEE TECK**

Managing Director of Securemetric Malaysia



Malaysian



Male



Age 49

**Date of appointment:**

02 April 2018

**Membership of Board Committees:**

None

He is responsible for ensuring regulatory compliance and driving business growth by developing strategies, overseeing daily operations, managing budgets, leading the local team, and building strong relationships with stakeholders. He ensures alignment with group objectives while adapting to local market needs and fostering innovation.

**Qualification:**

He graduated with a Diploma in Marketing from the Polytechnic of Port Dickson.

**Working Experience:**

His career in solution sales began at Alphamatic Systems, where he served as an account manager, followed by a role at GHL Systems. His tenure at MSC Trustgate proved pivotal, as it equipped him with in-depth knowledge and expertise in Securemetric’s core solutions and offerings. Prior to joining Securemetric, he held the position of Assistant Vice President at Maybank, where he was responsible for Strategic Alliances for eChannels, further solidifying his experience in the industry.

**Present Directorship in Public Company and Listed Entity:**

None

**Declaration:**

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offences within the last five (5) years other than traffic offences, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT  
(CONT'D)

**SEA CHONG SEAK**

Managing Director of Signing Cloud Malaysia



Malaysian



Male



Age 51

**Date of appointment:**

01 August 2021

**Membership of Board Committees:**

None

He is responsible for ensuring regulatory compliance and driving business growth by developing strategies, overseeing daily operations, managing budgets, leading the local team, and building strong relationships with stakeholders. He ensures alignment with group objectives while adapting to local market needs and fostering innovation.

**Qualification:**

He graduated with a Master of Science in Electronic Commerce from the University of Manchester Institute of Science and Technology, Manchester UK in 2002.

**Working Experience:**

With over 20 years of experience as a Principal Research Engineer at Malaysian Research & Development Institution (MIMOS Berhad), he had played a pivotal role in research, consulting, and the development of secure information systems. His expertise spans authentication technologies, cryptographic security, and identity management, contributing to groundbreaking advancements in the field. He also has extensive experience in implementing digital signature solutions, multi-factor authentication (MFA), and FIDO-based passwordless authentication, ensuring robust security and compliance with international standards.

Throughout his career, he has led cross-functional teams in designing and deploying cutting-edge security frameworks, working closely with regulatory bodies and industry stakeholders to shape digital trust ecosystems. His passion for technological innovation and strategic leadership enables him to drive impactful solutions that enhance security, efficiency, and user experience in the digital landscape.

**Present Directorship in Public Company and Listed Entity:**

None

**Declaration:**

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offences within the last five (5) years other than traffic offences, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year

## PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

### LEO NUGRAHA KUSUMA

Country Manager of Securemetric Indonesia and Softkey Indonesia



Indonesian



Male



Age 45

#### Date of appointment:

03 January 2006

#### Membership of Board Committees:

None

He is responsible for ensuring regulatory compliance and driving business growth by developing strategies, overseeing daily operations, managing budgets, leading the local team, and building strong relationships with stakeholders. He ensures alignment with group objectives while adapting to local market needs and fostering innovation.

#### Qualification:

He graduated with a Degree in Computer Science from Bina Nusantara University, Jakarta, Indonesia in October 2002, along with informal certifications from various institutions and organisations such as The Institute of Indonesia Chartered Accountants and Indonesian Financial Transactions Reports and Analysis Center in 2005.

#### Working Experience:

He started his working journey with UOB Bank (previously known as Bank Buana Indonesia) in late 2002 as an Operational Clerk, responsible for checking and verifying all clearing bills, cheques, and demand deposits. In 2003, he left UOB Bank to join Hana Bank (previously known as Bank Bintang Manunggal) as a Junior Information Technical Engineer. He became a team member responsible for ensuring that all banks activities related to Information Technology were functioning properly and for testing new applications from Indonesia Central Bank (Bank Indonesia).

In 2005, he was promoted as Senior Technical Supervisor, leading technical teams at Bank Bintang Manunggal. In 2006, he began his career in Securemetric Group by joining Softkey Indonesia as Sales Engineer, responsible for developing awareness of security devices, such as security license dongles, in the Indonesia market and providing the best solution to Indonesian software developer companies to secure their applications and businesses.

In 2008, he was appointed as Senior Business Development Manager, and in 2015, he also joined Securemetric Indonesia and was promoted as VP of Business Development for both companies, demonstrating outstanding performance as a leader in the company since then.

In 2022, he was appointed as Country Manager in Indonesia.

#### Present Directorship in Public Company and Listed Entity:

None

#### Declaration:

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offences within the last five (5) years other than traffic offences, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT  
(CONT'D)

**NGUYEN HONG THU**

Country Manager of Securemetric Vietnam



Vietnamese



Female



Age 37

**Date of appointment:**

1 July 2022

**Membership of Board Committees:**

None

She is responsible for ensuring regulatory compliance and driving business growth by developing strategies, overseeing daily operations, managing budgets, leading the local team, and building strong relationships with stakeholders. She ensures alignment with group objectives while adapting to local market needs and fostering innovation.

**Qualification:**

She graduated with a Bachelor of Business Administration from Hanoi University, Vietnam in 2012.

**Working Experience:**

She started her career in 2009 at an Israeli company that introduced Vietnam’s first time-share services (Project Alma Resort Cam Ranh) as a sales representative, supporting market development and customer acquisition. In 2010, she joined Tran Hong Quan Trading Company as a Sales Executive, handling the promotion and sales of residential and office properties. In 2012, she joined Securemetric Vietnam as a Sales Admin and Assistant to the Business Development Manager. Over the years, she progressed to Finance Executive before transitioning back to business development in 2016 as a Business Development Manager, overseeing key accounts. Since 2022, she has been appointed as the Country Manager of Securemetric Vietnam.

**Present Directorship in Public Company and Listed Entity:**

None

**Declaration:**

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offences within the last five (5) years other than traffic offences, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT  
(CONT'D)

**JUREZA TACULMA BIOCARLES**

Country Manager of Securemetric Philippines



Filipinos



Female



Age 42

**Date of appointment:**

06 January 2022

**Membership of Board Committees:**

None

She is responsible for ensuring regulatory compliance and driving business growth by developing strategies, overseeing daily operations, managing budgets, leading the local team, and building strong relationships with stakeholders. She ensures alignment with group objectives while adapting to local market needs and fostering innovation.

**Qualification:**

She graduated with a Bachelor of Science in Business Administration from Mariano Marcos State University in 2004.

**Working Experience:**

She began her career as a Marketing Executive at Bank of Tokyo Lease and Finance Phils., where she gained experience in financial marketing and client relations. She then transitioned into account management and has held various roles over the years, consistently achieving business and operational goals. She has developed a diverse skill set and contributed to organisational projects and initiatives across multiple industries, including Banking, Programming & Development, Telecommunications & System Integration companies.

Prior to her current role, she was with GMO GlobalSign, where she progressed from Sales Team Lead to Senior Sales Team Lead and eventually Sales Manager, leading teams to achieve sales targets and expand market presence. Currently, she serves as the Country Manager at Securemetric Philippines, overseeing operations, business development, and strategic initiatives to drive growth and market expansion.

**Present Directorship in Public Company and Listed Entity:**

None

**Declaration:**

- No family relationship with any director and/or major shareholder of the Group.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company and its subsidiaries.
- No conviction of offences within the last five (5) years other than traffic offences, if any.
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# SUSTAINABILITY STATEMENT

## Introduction

*This Sustainability Statement (“Statement”) highlights the Group’s activities, practices and achievements of its sustainable development and social responsibility in the environmental, social and governance (“ESG”) areas for FYE 2024.*

### SCOPE OF THE STATEMENT

This Statement covers the Group and discloses information about our major business activities, which comprises the provision of digital security solutions as well as trading of electronic identification products and other related services. It covers the sustainability performance of our significant operations for the FYE 2024.

### REPORTING PERIOD & STANDARD

The reporting period is the same as that of the financial year of the Group (1 January 2024 to 31 December 2024) and will be published on an annual basis in accordance with ACE LR from Bursa Securities.

### GLOBAL REPORTING INITIATIVE STANDARD

This statement was prepared in adherence to the "Core" reporting requirements of the Global Reporting Initiative ("GRI") Standards, which are the most widely adopted and globally recognised sustainability reporting guidelines. A GRI Index located at the end of the statement indicates the location of the relevant disclosures.

### INDEPENDENT ASSURANCE

The ESG performance data presented in this statement have been primarily sourced from the Group's internal information systems and original records to ensure their accuracy. The Group did not seek external assurance for this sustainability statement but instead relied on the Board oversight to ensure the accuracy of the data.

### COMMITMENT TO SUSTAINABILITY

We strive to achieve ongoing growth and profitability in a secure, compassionate, and sustainable environment. Sustainability has always been a core component of our company culture, and we acknowledge that sustainable practices are crucial factors in investors' investment decisions.

The Group's sustainability procedures are in conformity with Bursa Securities's *Sustainability Reporting Guide (3rd Edition)*, which states that ESG risks and opportunities must be linked to our governance framework and social obligations. This enables the public to assess and evaluate our corporate achievements and behaviour.

The Board places great importance on sustainability as a core value and recognises its impact on investors' decisions. As a socially responsible Group, we prioritise the well-being of our stakeholders while being mindful of our environmental impact. Upholding high ethical standards and procedures in contributing to the communities positively where we operate are essential to our business practices. We are dedicated to integrating ESG considerations across the Group and promoting sustainable practices in all facets of our operations. We recognise that sustainability is an ongoing effort and are dedicated to continuous improvement and innovation to reduce our negative environmental impacts and increase our positive contributions to society.

SUSTAINABILITY STATEMENT  
(CONT'D)

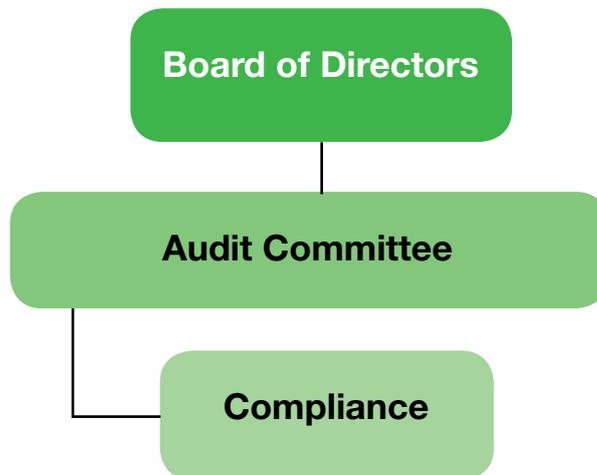
SUSTAINABLE DEVELOPMENT GOALS

The Company understands the context of its desired impact and its role in the greater global effort for its specific impact area. This year we also align with United Nations Sustainable Development Goals (“UN SDGs”):



GOVERNANCE STRUCTURE

As part of the Group’s commitment towards sustainability, we have established a clear governance structure to ensure compliance and performance. The Group’s sustainability governance structure is as follows:



SUSTAINABILITY STATEMENT  
(CONT'D)

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a crucial element in communicating our sustainability priorities. Engaging with stakeholders enables us to gain a more complete understanding of our materiality issues and concerns, and to capture the key aspects and impacts of our sustainability journey.

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which the Group engages them.

Stakeholders	Areas of Interest	Engagement Method
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Return on investment</li> </ul>	<ul style="list-style-type: none"> <li>Annual &amp; extraordinary meetings</li> <li>Quarterly reports</li> <li>Annual reports</li> <li>Company website</li> <li>Announcements and other disclosures through Bursa Link</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Corporate strategy</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Transparent, ethical, and sustainable business</li> </ul>	<ul style="list-style-type: none"> <li>Analysts briefing</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Data privacy</li> <li>Product responsibility</li> <li>Quality assurance</li> </ul>	<ul style="list-style-type: none"> <li>Customers' satisfaction survey</li> <li>Launches/Marketing events</li> <li>Face-to-face interactions</li> <li>Customer support centre</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supplier performance review</li> <li>Forging strategic partnership</li> </ul>	<ul style="list-style-type: none"> <li>Supplier survey</li> <li>New supplier evaluation</li> <li>Supplier periodical performance evaluation</li> </ul>
<b>Government and authorities</b>	<ul style="list-style-type: none"> <li>Compliance of law and regulations</li> <li>Standards and certifications</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with government legislative and regulatory body framework</li> <li>E-mails/letters</li> <li>Dialogues with the authorities</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Recognition, remuneration and benefits</li> <li>Career development and training</li> <li>Workplace health and safety</li> <li>Organisational updates</li> <li>Fair employment practices</li> <li>Financial and sustainability performance of the company</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisal</li> <li>Training and development</li> <li>Email communication</li> <li>Departmental meetings</li> <li>Employees engagement activities</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Community events</li> </ul>	<ul style="list-style-type: none"> <li>Social contribution</li> <li>Job opportunities</li> </ul>

SUSTAINABILITY STATEMENT  
(CONT'D)

RISK AND OPPORTUNITIES

The Board understands the importance of addressing sustainability risks and opportunities in an integrated and strategic manner to support the Group’s long-term strategy and success. The Board proactively considers sustainability issues when overseeing the planning, performance, and long-term strategy of the Company, to ensure the Company remains resilient, can deliver durable and sustainable value as well as maintain the confidence of its stakeholders.

Type of risk	Related risk/opportunities	Risk response
<b>Strategic</b>	Growing investor interest in ESG issues (Diversity, health and safety, corporate governance and etc)	The Group strives to integrate critical ESG issues into its business operations and continually monitor progress.
<b>Operational</b>	Changing weather patterns and increased natural disaster disturbing operations and business continuity	The Group is aware of the rapid climate changes and their potential impact, we are taking proactive measures to ensure business continuity by elaborating a comprehensive disaster preparedness plan.
<b>Compliance</b>	Increase client/investor confidence with regards our products and services and business practice	The Group aims to build a strong reputation for our products, services, and business practices and to increase confidence among our clients and investors by adhering to ethical business practices.

MATERIALITY ASSESSMENT

A materiality assessment is an exercise to gauge what are the most noteworthy environmental, social, and governance issues that are material or important to the Group. Below is the assessment process.



The Board conducted a materiality assessment, collecting views from our stakeholders on key material sustainability matters that may have a significant ESG impact on our business or substantively influence the assessment and decisions of our stakeholders. The Board reviews material sustainability matters annually.

Applying materiality helps the Group to identify topics that are most important to act on statement to stakeholders. Through our stakeholder engagement and materiality assessment processes, and taking our operating environment into consideration, the following are the material matters identified for the financial year under review, which are reported based on environmental, social and governance pillars.

SUSTAINABILITY STATEMENT  
(CONT'D)

MATERIALITY ASSESSMENT (CONT'D)



**Environmental**  
(Cultivating sustainability for a better tomorrow)

- Resource management
- Energy consumptions
- Emission management

**Social**  
(Creating positive societal impacts)

- Employment
- Diversity and inclusion
- Training and education
- Social contribution
- Occupational health and safety

**Governance**  
(Building trust, enhance organisational resilience and long-term success)

- Corporate governance
- Licensing (standards and certification)
- Supply chain and responsible sourcing



**ENVIRONMENTAL**

The Group is dedicated to environmental sustainability and aims to make responsible decisions that involve conserving and being good stewards of the environment. As a digital security solutions provider, our carbon footprint is limited to the energy and resources we consume within the office environment. In FYE 2024, there were no incidents of non-compliance or penalties related to environmental issues. The Board and management are committed to continuously reviewing and improving our current environmental management system and practices to ensure compliance with regulatory and customer requirements. Maintaining this unblemished record remains a top priority to the Group.

**RESOURCE MANAGEMENT**

The Group acknowledges the environmental impact of our consumption and is committed to reducing these effects through responsible resource management. Implementing resource-efficient practices not only benefits the environment but also improves cost-effectiveness for the Group. We encourage the adoption of digital technologies to reduce businesses' carbon footprints.

**a. Digital transformation**

Digital transformation has the potential to revolutionise environmental sustainability. The Group has implemented digital workflows into our business processes and is using our in-house developed solution "SigningCloud" for digital signing on most of our business documents to enhance both efficiency and sustainability. The improvements and digitalisation in our internal processes directly reduce paper usage, which can significantly reduce our environmental impact and promote sustainability.

## SUSTAINABILITY STATEMENT (CONT'D)

### RESOURCE MANAGEMENT (CONT'D)

#### b. Data protection and cyber security

Data protection and cyber security are important components of environmental sustainability, and this objective is achieved by being certified for ISO/IEC 27001:2022 / ISO/IEC 27001:2013. The Group recognises that maintaining the highest standard of data security and privacy is imperative to our stakeholders. Thus, we are dedicated to ensuring the data stored across our systems, databases, and networks is being adequately safeguarded.

Together with all our employees, our Management Information System (“MIS”) team, which is responsible for overseeing, implementing, and maintaining various systems, is required to sign a Non-Disclosure Agreement (“NDA”) to ensure all confidential information is not disclosed to any personnel who do not have the authorisation to view or access the said confidential information. Additionally, our data management is governed through MIS policies and procedures such as password, email, and internet policy, with other safeguarding measures in place to protect the confidential information stored in the information technology system.

### ENERGY CONSUMPTIONS

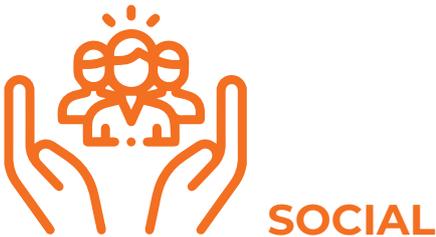
The Group acknowledges the global concern about climate change driven by increasing energy usage and understands the importance of using energy efficiently to address it. We are committed to continually monitoring our efforts to demonstrate our dedication to sustainability.

Our daily office activities contribute to this energy consumption. We support the use of energy-efficient appliances and lighting fixtures that consume less power. Additionally, we encourage our employees to promptly turn off any unnecessary energy sources, especially when they are not in use.

### EMISSION MANAGEMENT

As the Groups embarking on ESG initiatives, it is crucial for us to monitor our carbon footprint and by disclosing Scope 3 emissions in Categories 6 (Business Travel) and 7 (Employee Commuting). This approach aligns with the Green House Gas (GHG) Protocol Scope 3 Calculation Guidance (2013). Emission, CO<sub>2</sub>e (kg) = Distance x Emissions factor of vehicle.

The adoption of this distance-based methodology aims to ensure the disclosure is aligned with international and industry practices, improve credibility and thus provide better insights for all stakeholders.



The Group firmly believes that employees are the most important and valuable assets to the Group, forming the core competitive advantage of the Group. They are the main driving force behind the continuous innovation of the Group.

### EMPLOYMENT

Our employees are one of our most valuable assets. The Group believes in and is committed to implementing fair employment practices, upholding human rights principles, and investing in developing and training of our people. As of 31 December 2024, we have a total of 148 employees.

## SUSTAINABILITY STATEMENT (CONT'D)

### EMPLOYMENT (CONT'D)

We strive to foster an inclusive and performance driven work environment to attract, retain and develop our talents. As an equal opportunity employer, the Group has instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. There is no preference or prejudice towards religion, age, ethnicity, any physical disability, or gender. Employees are required to observe and adhere to all relevant policies and practices. The Group makes a conscious effort to maintain diversity in the middle management, to generate creativity and innovation and improve the organisation's culture. There were no reported incidents of discrimination raised by our employees in FYE 2024.

The Group continuously committed to providing employees with a workplace that is healthy, safe, and secure. Across all our business segments, no workplace grievance cases were reported in FYE 2024.

#### a. Employee remuneration and benefit

The Group recognises the valuable contribution of all employees and strongly believes in fair remuneration, setting packages that are competitive and sufficient to attract, retain, and motivate personnel. When setting remuneration packages, the Group considers regulatory requirements, salary, and employment conditions by benchmarking against companies within the same industry. In addition to the competitive remuneration offered, we continue to improve our employee benefits.

The Group is fully compliant with local labour regulations across our operations, as well as minimum wage laws, where such laws exist. Being in the industry, we are dedicated to constantly reviewing our employment policies, benefits, and remuneration practices to ensure compliance with updated employment laws and to keep up with the best industry practices, to provide optimal working conditions for our people.

#### b. Performance and career development review

Performance career development review for all full-time employees should be performed during the annual performance appraisal process. This process allows two-way communication and engagement between supervisors and subordinates to assess the performance of the employee.

Upon completion of the appraisal process, consideration of career advancement such as promotion, quantum of salary increments, and annual variable bonus will be determined based on the performance appraisal results. Employees are assessed and remunerated fairly based on their experience, qualifications, and performance.

The Group shall continue to provide training and education opportunities through development programmes wherever applicable and promote a conducive corporate environment where everyone could achieve their potential.

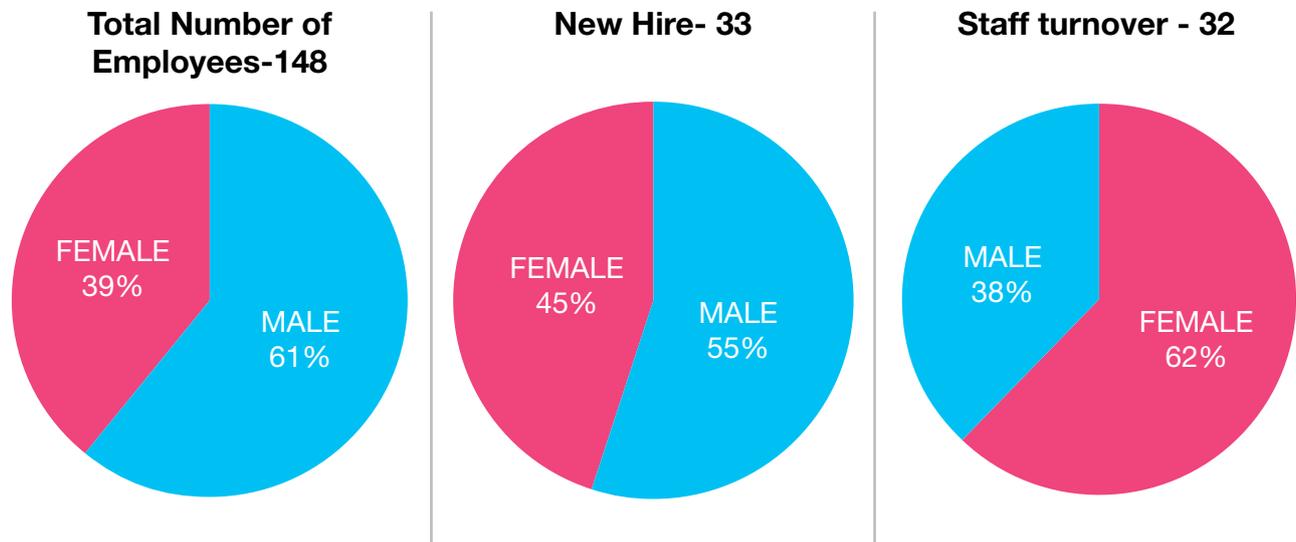
### DIVERSITY AND INCLUSION

Diversity refers to the differences in workforce by gender, age, ethnicity, and disability. This measure is considered across the Board, from the Directors to the management and the rest of the workforce.

In the appointment and recruitment process, we pride ourselves on being an employer that provides equal opportunities and continuously seeks to promote it regardless of religious belief, age, marital status, gender, family status, or any disability. Our commitment in that respect applies to all areas of the working environment, all employment activities, resource allocation, and all employment terms and conditions. Every employee is given an equal opportunity to rise in their careers through hard work and dedication. We draw strength from the diversity and inclusiveness that is prevalent in our workplace. As at FYE 2024, the total number of employees stood at 148 employees and interns. The following charts depict the composition of the Group's human capital in FYE 2024.

SUSTAINABILITY STATEMENT  
(CONT'D)

DIVERSITY AND INCLUSION (CONT'D)



As part of our commitment to fostering an inclusive and supportive workplace, we promote health and wellness initiatives, including Breast Cancer Awareness programs to educate employees on early detection and prevention. We also celebrate major festive occasions, such as Chinese New Year, Hari Raya, and Deepavali to embrace cultural diversity and strengthen workplace unity. Additionally, we organise various employee engagement activities, such as birthday celebrations and team-building events, to promote participation, collaboration, and well-being.

Breast Cancer Awareness



Festive Celebration



SUSTAINABILITY STATEMENT  
(CONT'D)

Employee Engagement Activities



TRAINING AND EDUCATION

The Group’s human capital is developed and strengthened through investment in our people. Continuous training and professional development programmes have helped to boost the technical knowledge and soft skills of our employees, positioning them in good stead to elevate the performance standard quality, which is necessary for the Group to meet the ever-changing needs of our customers. The Group is committed in developing staff to achieve their best and maximise their potential. The Group reviews the adequacy and suitability of the training requirements of the staff on a regular basis.

In addition to on-the-job and ad-hoc trainings, the Group also provides various learning and development opportunities for employees to enhance their skills and competencies. The Group also supports and encourages employees to pursue further education and professional qualifications relevant to their roles. We believe in investing in our employees’ personal and professional development as it not only benefits them but also contributes to the overall success of our business.

The Group is committed to allocate budget and plan skills upgrading to equip employees to meet strategic targets of the Group. We believe that more skilled employees enhance the Group’s human capital and contribute to employees’ satisfaction, which will then enhance overall performance.

Training Records	FY2024
Total Training hours	2,433
Average training hours per employees	14.93

## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL CONTRIBUTION

The Group continues to extend our values and contribution to the communities where we operate through partnering with a local university to offer an extensive internship program.

It helps to develop a skilled workforce, fosters innovation, and contributes to the overall economic and social development of the community. In FYE 2024, we offered an internship program to a total of 9 interns.

Apart from the above, during FYE 2024, we have partnered with a recycling vendor that provides employment opportunities to individuals with mental disabilities, physical challenges and former drug addict. Through this initiative, we not only promote responsible waste management by recycling our old files during office relocation but also support social inclusion and economic empowerment for marginalised groups. This aligns with our ESG values of social contribution.



### OCCUPATIONAL HEALTH AND SAFETY

Safety is an integral part of our business, and a key focus area for our Board and management. We take pride in building a safe, conducive, and healthy work life balance workplace as our commitment to developing our people.

In FYE 2024, there were no incidents of fatalities across the Group. The Group strives to maintain its health and safety standards and seeks continuous improvement through our weekly badminton activity and by attending Safety and Health coordinator training in Quarter 4 2024. Additionally, the Group now has representatives for Safety Coordinators, and we will begin implementing safety and health initiatives as part of our safety program.

Moving forward, to enhance the effectiveness of the workplace safety supervision, the Group plans to introduce more safety and health plans and activities to foster a safe and healthy environment for all employees.



## GOVERNANCE

### CORPORATE GOVERNANCE

The Group conducts business responsibly and fairly, adhering to the long-standing business philosophy of providing our customers with the highest quality at the most competitive price. The Group upholds the principles of corporate governance, the Code of Ethics and compliance and adheres to anti-bribery and corruption practices. Corporate governance is incorporated into our Group’s working culture to ensure sustainability. We have an anti-bribery and corruption policy and whistle blower policy in place.

Other preventive and control actions against corruption, such as dedicated training for all employees is implemented to ensure the proper functioning of the Group. Training is also included in the induction of new employees. During the financial year, the Company has conducted anti-bribery and corruption policy training and no instances, or complaints of suspected corrupt or unethical behaviour were reported to us. It is the Group’s goal to maintain zero tolerance for corruption.

Please refer to the Corporate Governance Overview Statement section in this Annual Report for more information.

SUSTAINABILITY STATEMENT  
(CONT'D)

Licensing (standards and certification)

Certifications	Company
ISO 9001:2015 Quality management system	<ul style="list-style-type: none"> <li>Securemetric Malaysia</li> </ul>
ISO 10002:2018 Customer complaint handling	
ISO 27001:2013 Information security management system	
ISO 9001:2015 Quality management system	<ul style="list-style-type: none"> <li>Securemetric Indonesia</li> <li>Securemetric Vietnam</li> </ul>
ISO 10002:2018 Customer complaint handling	
ISO 27001:2013 Information security management system	<ul style="list-style-type: none"> <li>Signing Cloud Malaysia</li> </ul>
ISO 9001:2015 Quality management system	
ISO 27001:2022 Information security management system	<ul style="list-style-type: none"> <li>Securemetric Philippines</li> </ul>
ISO 9001:2015 Quality management system	
ISO 10002:2018 Customer complaint handling	
Product certification (SIRIM) for wireless card reader	<ul style="list-style-type: none"> <li>Securemetric Malaysia</li> </ul>

SUPPLY CHAIN AND RESPONSIBLE SOURCING

The Group firmly believes that its suppliers and subcontractors are key business partners that can create a positive economic impact, thereby enhancing stakeholder returns. To this end, the Group maintains a stringent vendor selection process that considers vendors' past track records and adherence to occupational health and safety standards.

We have also developed procurement policies and guidelines, such as:

- Quality policy and procedures in selecting and evaluating vendors; and
- Personal Data Protection Notice for customer/suppliers.

As the Group operating in highly specialised niche, our expenditure on local suppliers is yet to be included in this FYE 2024 statement. However, we will continue to remain fully committed to responsible procurement while generating positive economic and social benefits for the local community in which we operate.

SUSTAINABILITY STATEMENT  
(CONT'D)

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This statement has been prepared in accordance with the GRI Standards: Core option.

Category	Disclosure	Description	Page Reference and Remarks
<b>GRI 102: General Disclosures</b>	102-1*	Name of the organisation	Cover page
	102-2 *	Activities, brands, products, and services	Overview of The Group’s Businesses and Operations
	102-3 *	Location of headquarters	Unit 2-12-01, Level 12, Ho Hup Tower, No.1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur
	102-4 *	Location of operations	Notes to the Financial Statements (Page 85-146)
	102-5 *	Ownership and legal form	Notes to the Financial Statements (Page 85-146)
	102-6 *	Markets served	Notes to the Financial Statements (Page 85-146)
	102-7 *	Scale of the organisation	Corporate Structure (Page 4)
	102-8 *	Information on employees and other workers	Social (Page 32-36)
	102-9 *	Supply chain	Governance (Page 36-37)
	102-10 *	Significant changes to the organisation and its supply chain	No significant changes
	102-11 *	Precautionary principle or approach	Vision, Mission, and Value (Page 2)
	102-12 *	External initiatives	Sustainable Development Goals (Page 28)
	102-13 *	Membership of associations	Securemetric Malaysia is a member of the following associations: <ul style="list-style-type: none"> <li>• Persatuan Industri Komputer dan Multimedia Malaysia (PIKOM)</li> <li>• Associate membership FIDO Alliance, Inc.</li> </ul>
<b>GRI 102: Strategy</b>	102-14 *	Statement from senior decision-maker	Chairman’s statement (Page 8-10)
<b>GRI 102: Ethics and Integrity</b>	102-16 *	Values, principles, standards, and norms of behaviour	Vision, Mission and Value (Page 2)
<b>GRI 102: Governance</b>	102-18 *	Governance structure	Governance Structure (Page 28)
<b>GRI 102: Stakeholder engagement</b>	102-40 *	List of stakeholder groups	Stakeholder Engagement (Page 29)
	102-41 *	Collective bargaining agreements	None
	102-42*	Identifying and selecting stakeholders	Stakeholder Engagement (Page 29)
	102-43 *	Approach to stakeholder engagement	Stakeholder Engagement (Page 29)
	102-44 *	Key topics and concerns raised	Materiality Assessment (Page 30-31)

SUSTAINABILITY STATEMENT  
(CONT'D)

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONT'D)

This statement has been prepared in accordance with the GRI Standards: Core option. (Cont'd)

Category	Disclosure	Description	Page Reference and Remarks
<b>GRI 102: Reporting practice</b>	102-45 *	Entities included in the consolidated financial statements	Corporate Structure (Page 4)
	102-46 *	Defining statement content and topic Boundaries	Scope of Statement (Page 27)
	102-47 *	List of material topics	Materiality Assessment (Page 30-31)
	102-48*	Restatements of information	Information from prior reports has not been restated.
	102-49 *	Changes in reporting	No significant changes from previous reporting periods in the list of material topics and topic boundaries.
	102-50 *	Reporting period	Reporting Period and Standard (Page 27)
	102-51 *	Date of most recent statement	FYE 2023 Sustainability Statement
	102-52 *	Reporting cycle	Reporting Period and Standard (Page 27)
	102-53 *	Contact point for questions regarding the statement	Contact us @ ir@securemetric.com
	102-54 *	Claims of reporting in accordance with the GRI Standards	Core option
<b>GRI 102: Reporting practice</b>	102-55 *	GRI content index	GRI content index (Page 38-40)
	102-56 *	External assurance	The Group has not sought external assurance for this sustainability statement.
<b>GRI 204: Procurement Practices</b>	204-1	Proportion of spending on local suppliers	Governance (Page 36-37)
<b>GRI 307: Environmental Compliance</b>	DMA	Management approach disclosures	Environmental (Page 31-32)
	307-1	Non-compliance with environmental laws and regulations	Environmental (Page 31-32)
<b>GRI 401: Employment</b>	DMA	Management approach disclosures	Social (Page 32-36)
	401-1	New employee hires and employee turnover	Social (Page 32-36)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social (Page 32-36)
	401-3	Parental leave	Social (Page 32-36)

SUSTAINABILITY STATEMENT  
(CONT'D)

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONT'D)

This statement has been prepared in accordance with the GRI Standards: Core option. (Cont'd)

Category	Disclosure	Description	Page Reference and Remarks
<b>GRI 403: Occupational Health and Safety</b>	DMA	Management approach disclosures	Social (Page 32-36)
	403-1	Occupational Health and Safety Management System	Social (Page 32-36)
	403-9	Work-related injuries	Social (Page 32-36)
<b>GRI 404: Training and Education</b>	DMA	Management approach disclosures	Social (Page 32-36)
	404-1	Average hours of training per year per employee	Social (Page 32-36)
	404-2	Programs for upgrading employee skills and transition assistance programmes	Social (Page 32-36)
	404-3	Percentage of employees receiving regular performance and career development reviews	Social (Page 32-36)
<b>GRI 205: Anti-corruption</b>	DMA	Management approach disclosures	Governance (Page 36-37)
	205-3	Confirmed incidents of corruption and actions taken	Governance (Page 36-37)

RELATIONSHIP WITH UN SDG

Sustainability Development Goals	Detailed Information
 <p>No Poverty</p>	Economic growth and job creation
 <p>Zero Hunger</p>	Our pantry is equipped with a variety of essentials food
 <p>Good Health and Well-being</p>	To ensures healthy lives and promote well-being for all at all ages
 <p>Quality Education</p>	Training and development for staff
 <p>Gender Equality</p>	No employment discrimination policy

SUSTAINABILITY STATEMENT  
(CONT'D)

RELATIONSHIP WITH UN SDG (CONT'D)

Sustainability Development Goals	Detailed Information	
	Clean Water and Sanitation	Workplace sanitisation protocols is implemented, and air purifier being installed
	Affordable and Clean Energy	Using at least 4-star electrical appliances in the company
	Decent Work and Economic Growth	Youth employment program
	Industry, Innovation and Infrastructure	Provision of digital solution provided as business service
	Reduced Inequalities	Workplace is without bias
	Sustainable Cities and Communities	Stakeholder engagement
	Responsible Consumption and Production	Promise to deliver of quality, safety services
	Climate Action	Reduce CO2 emission
	Life Below Water	Install drinking water purifier in workplace
	Life On Land	<ul style="list-style-type: none"> <li>Build a small garden in workplace</li> <li>We have incorporated indoor plants into our office decoration</li> </ul>
	Peace, Justice and Strong Institutions	Providing fair and impartial support for all sorts of workers' complaints
	Partnerships for the Goals	Sustainability statement initiative

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY PERFORMANCE REPORT (BURSA)

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Percentage of employees who have received training on anti-corruption by employee category	Percentage	100.00 *
Management	Percentage	100.00 *
Executive	Percentage	100.00 *
Non-executive/Technical Staff	Percentage	100.00 *
General Workers	Percentage	100.00 *
<b>Bursa (Community/Society)</b>		
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	9
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	85.00
Management Above 50	Percentage	15.00
Executive Under 30	Percentage	0.00
Executive Between 30-50	Percentage	96.00
Executive Above 50	Percentage	4.00 *
Non-executive/Technical Staff Under 30	Percentage	47.00
Non-executive/Technical Staff Between 30-50	Percentage	52.00
Non-executive/Technical Staff Above 50	Percentage	1.00
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	100.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	85.00
Management Female	Percentage	15.00
Executive Male	Percentage	56.00
Executive Female	Percentage	44.00
Non-executive/Technical Staff Male	Percentage	55.00
Non-executive/Technical Staff Female	Percentage	45.00
General Workers Male	Percentage	100.00
General Workers Female	Percentage	0.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	144.61
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
total employee	Hours	2,433
Bursa C6(c) Total number of employee turnover by employee category		
Under 30	Number	12
between 30-50	Number	20
Above 50	Number	0

Internal assurance

External assurance

No assurance

(\*)Restated

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Securemetric is committed to uphold the high standards of corporate governance throughout the Group with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders. This corporate governance overview statement sets out the extent to which the Company has applied the practices encapsulated in the Principles of the Malaysian Code on Corporate Governance (“MCCG”) except where stated otherwise.

Details of the Group’s application of each practices set out in the MCCG are disclosed in the Corporate Governance Report, which is available on the Group’s website at <https://www.securemetric.com/corporate-governance/>.

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

#### I. Board Responsibilities

The Board is responsible for the oversight and overall management of the Company and has developed corporate objectives and position descriptions including the limits to management’s responsibilities, which the management are aware and are responsible for meeting.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, investment policy, major capital expenditures, consideration of significant financial matters and review of the financial and operating performance of the Group.

The Board understands the principal risks of all aspects of the business that the Group is engaged in recognising that business decisions require the incurrence of risk. To achieve a proper balance between risks incurred and potential returns to shareholders, the Board ensures that there are in place systems that effectively monitor and manage these risks with a view to the long term viability of the Group.

The principal roles and responsibilities assumed by the Board are as follows:

- (a) Reviewing and providing guidance on the Company’s and the Group’s annual budgets, development of risk policies, major capital expenditures, acquisitions and disposals;
- (b) Monitoring corporate performance and the conduct of the Group’s business and to ensure compliance with best practices and principles of corporate governance;
- (c) Identifying and implementing appropriate systems to manage principal risks. The Board undertakes this responsibility through the Risk Management Committee;
- (d) Reviewing and ensuring the adequacy and soundness of the Group’s financial system, internal control systems and management information system and that they are in compliance with the applicable standards, laws and regulations;
- (e) Ensuring a transparent Board nomination and remuneration process including management, ensuring the skills and experiences of the Directors are adequate for discharging their responsibilities whilst the caliber of the Independent Non-Executive Directors bring independent judgment in the decision making process;
- (f) Ensuring a proper succession plan is in place;
- (g) Monitoring major litigation;
- (h) Approving all financial reports to be published and related stock exchange announcements;
- (i) Monitoring other material reporting and external communications by the Group;
- (j) Approving the dividend policy and payment of dividends;
- (k) Appointing external auditors (subject to shareholders’ approval); and
- (l) Considering and reviewing the social, ethical and environmental impact of the Group’s activities and determining, monitoring and reviewing standards and policies to guide the Group in this regard.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. Although all the Directors have equal responsibility for the Company's and the Group's operations, the role of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

The Board had appropriately delegated specific tasks to four (4) Board Committees; namely Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee. All the Board Committees have its own Terms of Reference and has the authority to act on behalf of the Board within the authority as lay out in the Terms of Reference and to report to the board with the necessary recommendation.

To ensure balance of power and authority, accountability and independent decision making, the roles of the Chairman and the Chief Executive Officer are distinct and separated.

The Chairman, Mr. Clifton Heath Fernandez is responsible for leadership, ensuring effective functioning of the Board and providing oversight over the operations of the Group.

The Chief Executive Officer, Mr. Law Seeh Key supported by the management, is responsible for the day-to-day management of the operations of the Group, implementation of the Group's policies, business direction and development of the Group.

The Company has formalised and adopted a Board Charter which sets out a list of specific roles and functions which are reserved to the Board and other matters that are important for good corporate governance. The Board Charter is accessible through the Company's website at <https://www.securemetric.com/corporate-governance/> and will be reviewed annually to ensure it remains consistent with the Board's objectives, responsibilities and practices.

Conducting our business with the highest standards of ethics is essential to the Company. The Board acknowledges its role in setting the "tone at the top" to embed this as the culture for the Group. To this end, the Board adopted and implemented a Code of Conduct and Ethics for Directors, management and employees of the Group. The Code of Conduct and the Code of Ethics are made available on the Company's website at <https://www.securemetric.com/corporate-governance/>. The Board has formalised a Whistle-Blowing Policy, with the aim to provide an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices. The details of the Whistle-Blowing Policy are available for reference at the Company's website at <https://www.securemetric.com/corporate-governance/>.

In addition to the Code of Conduct, the Company has further established the Anti-Corruption and Bribery Policy to comply with enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). The Anti-Corruption and Bribery Policy is to ensure that all Directors, management and employees are aware of their obligation to disclose and not to be involved in any corruption, bribes, conflict of interest or similar unethical acts that they may have in order to prevent the occurrence of bribery and corrupt practices in relation to the Group's business.

The Anti-Corruption and Bribery Policy can be accessed through the Company's website at <https://www.securemetric.com/corporate-governance/>.

The Board has established and adopted the Fit and Proper Policy, with the aim to guide the Company's Nomination Committee and the Board in their review and assessment of candidates who are to be appointed onto the Board as well as directors who are seeking for re-election. The Fit and Proper Policy are made available on the Company's website at <https://www.securemetric.com/corporate-governance/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT  
(CONT'D)**PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****I. Board Responsibilities (Cont'd)**

As part of the Group's commitment towards sustainability, the Board has established a clear governance structure to ensure compliance and performance. Please refer to the Sustainability Statement section of this Annual Report.

The Board is supported by qualified and competent Company Secretary who is responsible for ensuring that the Company's constitutions, procedures, policies and regulations are complied with. Also ensuring that, all obligations required by the regulatory and under the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") are fulfilled in a timely manner. The Board is regularly updated and advised by the Company Secretary on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretary is suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretary in discharge of her functions.

Board Meetings are scheduled for every quarter with additional meetings to be convened as and when required. During the financial year under review, the Board met a total of five (5) times. The attendance of the Directors who held office during the financial year is set out below:

Names of Directors	Attendance at meeting	Percentage of Attendance
<b>Executive Directors</b>		
Law Seeh Key	5/5	100%
Yong Kim Fui	5/5	100%
<b>Non-Executive Directors</b>		
Clifton Heath Fernandez	5/5	100%
Shireen Chia Yin Ting	5/5	100%
Dato' Ng Wan Peng	5/5	100%

The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, to keep abreast of industry developments and trends, the Directors are encouraged to attend various external professional programmes deemed necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates, in order to fulfil their duties as Directors. Any Director appointed to the Board is required to complete the Mandatory Accreditation Program ("MAP") within four (4) months from the date of appointment.

Briefings, seminars, conferences, workshops, and others attended by the Directors of the Company during the FYE 2024 are summarised as stated below:

Directors	Seminar / Conference / Workshop
Clifton Heath Fernandez	<ol style="list-style-type: none"> <li>MPIA Solar Roadshow 2024</li> <li>DORA, ISO/IEC 27005, and the Rise of AI: Securing the Future of Cybersecurity</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>HRD Corp's Facilitated Engagement</li> <li>The Asia-Pacific Occupational Safety and Health Organization (APOSHO 38)</li> <li>CREAM's Construction Industry Congress 2024 (CIC 2024)</li> <li>Strategic Data and Frameworks in Board Governance</li> </ol>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

Briefings, seminars, conferences, workshops, and others attended by the Directors of the Company during the FYE 2024 are summarised as stated below: (Cont'd)

Directors	Seminar / Conference / Workshop
Dato' Ng Wan Peng	<ol style="list-style-type: none"> <li>2024 Merdeka Award Talk Series #1: Women in Leadership: Too Hot to Handle</li> <li>Addressing Challenges in Implementing ISSB Standards</li> <li>Kuala Lumpur International Sustainability Conference</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Anti-Corruption Laws in Malaysia &amp; Key Legal Issues in Digital Transformation</li> <li>Future of People@Work</li> <li>EY FSO Insurance Forum</li> <li>Bursa Malaysia - Building Sustainable Credibility: Assurance, Greenwashing, and the Rise of Green-Hushing</li> <li>Board Ethics: Growing Concerns on New Technology, Stakeholders Interests and Conflict of Interest</li> <li>Organizational Carbon Footprint Assessment Workshop</li> <li>Professional Certification in Corporate Finance</li> </ol>
Shireen Chia Yin Ting	<ol style="list-style-type: none"> <li>MIA International Accountants Conference 2024</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>MIA Accounting &amp; Financial Technology Showcase 2024</li> </ol>
Law Seeh Key	<ol style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>FIDO APAC Summit 2024</li> </ol>
Yong Kim Fui	<ol style="list-style-type: none"> <li>MIA Webinar Series: Capital Gains Tax on Domestic and International Transactions</li> <li>MIA International Accountants Conference 2024</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>FIDO APAC Summit 2024</li> </ol>

#### II. Board Composition

The Board currently consists of five (5) members, comprising the Independent Non-Executive Chairman, two (2) Executive Directors, and two (2) Independent Non-Executive Directors during the FYE 2024. The Independent Non-Executive Directors fulfilled the criteria of "Independence" as prescribed under the ACE LR. This complies with the ACE LR which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. All Independent Non-Executive Directors are independent of management and have no family or business relationships with the Executive Directors and major shareholders which would interfere with the exercise of their independent judgment.

The Board acknowledges the call by the Government and MCCG for Boards to comprise at least 30% women on board. The Board composition currently comprises two (2) women Directors, representing 40% of the total number of board members.

The Board is satisfied that its current size and composition reflects an appropriate balance of Executive and Non-Executive Directors which is adequate for the scope and nature of the Group's business and operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT  
(CONT'D)**PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****II. Board Composition (Cont'd)**

The Board reviews and assesses the independence of directors annually based on the criteria set by the Nomination Committee. One of the assessment criteria is the ability of the individual director to exercise objectivity in the discharge of his or her responsibilities in the interest of the Company. During the financial year, a self-declaration was conducted at each Board meeting where all Directors declared the nature of their interest in the Company, whether direct or indirect, or any circumstance which may potentially affect their independence. The Board had also carried out independence assessment of its Non-Executive Directors in terms of their relationship and dealings with the Company and the Board is of the view that all the Non-Executive Directors remain independent.

The Board is of the view that throughout their tenure, the Independent Directors had demonstrated independence in character and judgment and had always looked out for the best interest of the Company without fear or favor. The Independent Directors had provided independent view based on their experience and knowledge that allow for diverse and objectives perspectives on the Group's business and direction. The Board believes that the length of service on the Board did not impair the objectivity of these Independent Directors. Moreover, the Independent Directors had made significant contributions to the Board in view of their enough breadth of understanding of the Group's activities and corporate history that will continue to add value to the Board.

In accordance with the Board Charter, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years from the date of first appointment as Director. In the event the Board wishes to retain the independence status of an Independent Director who has served for more than nine (9) years, Board justification and shareholders' approval are required. Two-tier voting process will be applied in the Annual General Meeting ("AGM") for retaining any Independent Director serving beyond nine (9) years.

As at the date of this statement, the term of service of the Independent Directors is less than nine (9) years.

The Board currently does not have a formal policy on its boardroom or gender diversity. The Board welcomes suitably and qualified female Director to come on the Board subject to the evaluation and assessment by the Nomination and Remuneration Committee following the criteria set by the MCCG and the ACE LR.

**III. Remuneration**

The Remuneration Committee is authorised by the Board to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendations of the Remuneration Committee.

The Remuneration Committee was established to assist the Board in developing remuneration policies and procedures that enable the Group to attract, motivate and retain qualified Directors and Key Senior Management personnel. Full details of the functions and duties of the Remuneration Committee are stated in its Terms of Reference which is available on the Company's website at <https://www.securemetric.com/corporate-governance/>.

During the financial year, the Remuneration Committee had carried out the following activities:

- (a) reviewed and assessed the performance and the remuneration package of the Executive Directors; and
- (b) reviewed and assessed the Directors' fees and benefits payable for the FYE 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT  
(CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## III. Remuneration (Cont'd)

The composition and range of remuneration package received by the Directors during the financial year is as follows:

## (i) Received from the Company

		Fees (RM)	Salaries & other emoluments (RM)	Bonuses (RM)	EPF, SOCSO & EIS (RM)	Benefit- in-Kind (RM)	Total (RM)
<b>Executive Directors</b>							
1.	Law Seeh Key	–	300	–	–	–	300
2.	Yong Kim Fui	–	300	–	–	–	300
<b>Non-Executive Directors</b>							
1.	Clifton Heath Fernandez	42,000	1,800	–	–	–	43,800
2.	Shireen Chia Yin Ting	36,000	1,800	–	–	–	37,800
3.	Dato' Ng Wan Peng	36,000	1,800	–	–	–	37,800
<b>Total:</b>		<b>114,000</b>	<b>6,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>120,000</b>

## (ii) Received from the Subsidiaries

		Fees (RM)	Salaries & other emoluments (RM)	Bonuses (RM)	EPF, SOCSO & EIS (RM)	Benefit- in-Kind (RM)	Total (RM)
<b>Executive Directors</b>							
1.	Law Seeh Key	–	672,000	265,000	112,457	–	1,049,457
2.	Yong Kim Fui	–	480,000	190,000	81,617	15,000	766,617
<b>Non-Executive Directors</b>							
1.	Clifton Heath Fernandez	–	–	–	–	–	–
2.	Shireen Chia Yin Ting	–	–	–	–	–	–
3.	Dato' Ng Wan Peng	–	–	–	–	–	–
<b>Total:</b>		<b>–</b>	<b>1,152,000</b>	<b>455,000</b>	<b>194,074</b>	<b>15,000</b>	<b>1,816,074</b>

CORPORATE GOVERNANCE OVERVIEW STATEMENT  
(CONT'D)**PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT****I. Audit Committee**

The Audit Committee comprises the following members:

**Chairperson**

Shireen Chia Yin Ting

*Independent Non-Executive Director*

**Members**

Clifton Heath Fernandez

*Independent Non-Executive Chairman*

Dato' Ng Wan Peng

*Independent Non-Executive Director*

The Chairperson of the Audit Committee is not the Chairman of the Board. The Audit Committee Report is set out separately in this Annual Report. Full details of the Audit Committee's duties and responsibilities are stated in its Terms of Reference which is available on the Company's website.

The Audit Committee was established to assist the Board in ensuring the integrity of financial reporting and the existence of a sound internal control system within the Group. The Audit Committee also monitors compliance with established policies and procedures and assesses the suitability, objectivity and independence of both the external and internal audit functions.

In compliance of the Rule 15.12(1)(h) of the ACE LR of Bursa Securities, the Audit Committee reviews and reports to the Board on any related party transaction and conflict of interest situation that arose, persist or may arise within Securemetric or its subsidiaries including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.

The Board, through its Audit Committee maintains a formal and transparent relationship with its External Auditors and the Internal Auditors to enhance the effectiveness of the overall audit process. The Audit Committee assessed the performance and effectiveness of the External Auditors annually, considering amongst others, their qualifications, effectiveness of the audit process, quality of service and their independence.

During the course of their audit, the External Auditors highlighted to the Audit Committee matters pertaining to the financial reporting. Private meetings between them will be held twice during each financial year without the presence of the Management and Executive Directors, to discuss any issues that may require the attention of the Audit Committee.

The full details of the role of the Audit Committee in relation to the External Auditors are set out in the Audit Committee Report of this Annual Report.

**II. Risk Management and Internal Control Framework**

The Board is fully aware of its overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to identify the risks to which the Group is exposed and mitigate the impacts thereof to meet the particular needs of the Group.

As an effort to enhance the system of internal control, the Board together with the assistance of external professional Internal Audit firm will undertake to review the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the Audit Committee and the Board to strengthen and improve current management and operating style in pursuit of best practices.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### **I. Communication with Stakeholders**

The Company is committed to ensure that timely, accurate and complete information about the Company is provided equally to its shareholders, stakeholders and to the general investing public. Timely information is critical towards building and maintaining the Group's corporate credibility, market integrity and promotes investor confidence.

It has always been the Company's practice to maintain a good relationship with its shareholders. Major corporate developments and happenings have always been duly and promptly announced to all shareholders in line with Bursa Securities' objectives of ensuring transparency and good corporate governance practices.

The Company also actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on Bursa Securities's website and engagement through the investor relation function.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities.

#### **II. Conduct of General Meetings**

General meetings are the important platform for the shareholders to exercise their rights in the Company, either in AGM or Extraordinary General Meetings.

Shareholders are invited to the general meetings through a notice of meeting that specify the venue, day and hour of the meeting, as well as the business of the meeting. The notice of meeting together with the annual report is sent to the shareholders at least 28 days prior to the AGM, so as to maximise their attendance and to provide sufficient time for them to consider the business to be discussed at the meeting. Concurrently, the notice of AGM is advertised in a nationally circulated English daily newspaper. In order to facilitate informed decision by the shareholders, notice of meeting is also accompanied by explanatory notes on the items of business to further explain the nature of business of the meeting.

The Audit Committee Chairperson, the Risk Management Committee Chairman, the Nomination Committee Chairperson and the Remuneration Committee Chairperson were being informed that questions relating to the Committee under their purview will be addressed by them accordingly.

The Company conducts a poll voting on each resolution tabled during the general meetings to support shareholders participation. As the number of shareholders of the Company is not large, the Company currently conducts a manual poll voting instead of electronic poll voting. With the poll voting, each shareholder presents in person or represented by proxy at the general meeting will be entitled to vote on a one-share, one-vote basis. At least one (1) scrutineer is appointed to validate the votes cast at the meeting.

The Board of Directors is aware of and in full support of effective shareholders' participation at the AGM. The minutes of AGM will be published on the Company's website no later than 30 business days after the general meeting.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 25 April 2025.

## AUDIT COMMITTEE REPORT

The Board of the Company is pleased to present the Audit Committee (“AC”) Report to provide insights on the discharge of the AC’s function during the FYE 2024, in compliance with Rule 15.15 of the ACE LR of Bursa Securities.

### COMPOSITION

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors.

The current composition of the AC is as follows:

Name	Designation	Directorate
Shireen Chia Yin Ting	Chairperson	Independent Non-Executive Director
Clifton Heath Fernandez	Member	Independent Non-Executive Chairman
Dato’ Ng Wan Peng	Member	Independent Non-Executive Director

The Chairperson of the AC, Ms. Shireen Chia Yin Ting is certified as a Chartered Accountant by the Malaysian Institute of Accountants.

The composition of the AC and the qualifications of the members comply with Rule 15.09 (1) of the ACE LR of Bursa Securities.

### TERMS OF REFERENCE

The Terms of Reference (“TOR”) of the AC, covering its scope of duties and responsibilities, authority and other relevant matters, is made available on the Company’s website at <https://www.securemetric.com/corporate-governance/>.

The TOR of the AC was reviewed and revised and subsequently approved by the Board in November 2023.

### MEETINGS AND MINUTES

Meetings shall be held not less than four (4) times a year and will normally be attended by the Chief Financial Officer and other management, if necessary. The presence of external and/or internal auditors will be requested, if required. Other members of the Board and management may attend meetings upon the invitation of the AC. Both the internal and/or external auditors may request a meeting if they consider it to be necessary. The AC shall meet with the external and internal auditors at least twice a year without the presence of executive members of the Board.

Minutes of each AC meeting was properly recorded and tabled for confirmation at the following AC meeting. The Chairperson of the AC reports to the Board on activities undertaken and key recommendations for the Board’s consideration and decision.

During the FYE 2024, the AC held a total of five (5) meetings. The Chief Financial Officer, internal auditors and external auditors have been invited to attend the AC meetings to present their audit plans and their subsequent audit findings. The AC had two (2) private sessions with the external auditors without the presence of Executive Board members and management.

The details of attendance of the AC members are as follows:

Committee Members	Meeting Attendance
Shireen Chia Yin Ting (Chairperson)	5/5
Clifton Heath Fernandez	5/5
Dato’ Ng Wan Peng	5/5

## AUDIT COMMITTEE REPORT (CONT'D)

### TERM OF OFFICE & PERFORMANCE

In order to assess the term of office of the AC members and performance of the AC in accordance with Rule 15.20 of the ACE LR, each of the AC members has performed the self and peer assessment and the results were tabled to the Nomination Committee for review and discussion prior to presenting the reports to the Board for evaluation. The Board was satisfied with the performance of the AC and confirmed that they have discharged their functions and carried out their duties and responsibilities effectively in accordance with the TOR.

### SUMMARY OF ACTIVITIES OF THE AC

The main activities carried out by the AC during the FYE 2024 were summarised as follows:

#### Financial Reporting

- reviewed the audited financial statements of the Company prior to submission to the Board for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 2016 and the applicable approved accounting standards as per Malaysian Accounting Standards Board; and
- reviewed the unaudited quarter financial results before recommending them for Board's approval, focusing particularly on:
  - Any change in accounting policies
  - Significant adjustments arising from audit
  - Compliance with accounting standards and other legal requirements

#### External Audit

- reviewed the external audit plan, outlining the audit scope, audit process and areas of emphasis based on the external auditors' presentation of audit plan;
- reviewed the external audit review memorandum and audit planning memorandum and the response from the management;
- reviewed the audit and non-audit fees and recommended to the Board for approval;
- reviewed the performance and effectiveness of the external auditors in the provision of statutory audit services and recommend to the Board for approval on the re-appointment of external auditors; and
- reviewed and evaluated the factors relating to the independence of the external auditors.

#### Internal Audit

- reviewed the internal audit plan presented by the internal auditors;
- reviewed the reports from the internal auditors and assessed the internal auditors' findings and the management's responses and the necessary recommendations;
- reviewed and discussed the effective implementation of the action plans taken by the management in response to audit findings and weaknesses identified during the audit review;
- monitored the follow-up internal audit report on the internal audit findings and the implementation status based on the internal auditors' recommendations; and
- reviewed and assessed the competency of the internal audit function.

#### Related Party Transactions and Conflict of Interest

At each quarterly meeting, the AC reviewed the recurrent related party transactions ("RPT") and conflict of interest situation that may arise within the Company and its Group including any transaction, procedure or course of conduct that raises questions of management integrity.

The AC reviews the RPT and conflict of interest situation presented by the management prior to the Company entering into such transaction. The AC also ensure that the adequate oversight over the controls on the identification of the interested parties and possible conflict of interest situation before entering into transaction.

AUDIT COMMITTEE REPORT  
(CONT'D)**SUMMARY OF ACTIVITIES OF THE AC (CONT'D)****Others**

- reviewed the Corporate Governance Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and the AC Report before recommending to the Board for approval and inclusion in the Annual Report; and
- reviewed the TOR prior to recommending for Board's approval.

**INTERNAL AUDIT FUNCTION**

The primary function of the internal audit is to assist the Board and AC in providing an independent review of the adequacy and effectiveness of the governance, risk management and internal control processes within Group, based on the risk-based internal audit plan reviewed and approved by the AC.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care. The internal auditors report directly to the AC.

The internal audit function is outsourced to a professional service firm, namely Talent League Sdn. Bhd. and the internal audit was carried out in accordance with the International Standards for the Professional Practices of Internal Auditing, 2017 of the International Professional Practices Framework adopted and recommended by the Institute of Internal Auditors Malaysia.

The AC has obtained a written confirmation upon engagement of the internal auditors that they will act as an independent service provider in providing professional services and will not undertake to perform any obligation of the Company, whether regulatory or contractual.

**Summary of Works of the Internal Audit Function for FYE 2024**

During the FYE 2024, the summary of works undertaken by the internal auditors comprised the following:

- reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary;
- the internal audits performed met the objective of highlighting to the AC the audit findings which required follow-up actions by the management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses; and
- formulated the internal audit plan and presented the plan to the AC for review and approval.

**Total costs incurred for FYE 2024**

Total costs incurred for the outsourced internal audit function of the Group for FYE 2024 amounted to RM36,500.

This AC Report is made in accordance with the Resolution passed by the Board of Directors on 25 April 2025.

## NOMINATION COMMITTEE REPORT

The Nomination Committee (“NC”) comprises exclusively of Independent Non-Executive Directors and is chaired by Dato’ Ng Wan Peng, the Independent Non-Executive Director. The composition of the NC and the meeting attendance of each member during the FYE 2024 is set out below:

Name	Designation	Directorate	Meeting Attendance
Dato’ Ng Wan Peng	Chairperson	Independent Non-Executive Director	1/1
Clifton Heath Fernandez	Member	Independent Non-Executive Chairman	1/1
Shireen Chia Yin Ting	Member	Independent Non-Executive Director	1/1

The NC is responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the director should bring to the Board. The NC annually review the effectiveness of the Board as a whole, the committees of the Board and the contribution of each Director. The NC has its own Terms of Reference which deals with its authority and duties, which is available at the Company’s website at <https://www.securemetric.com/corporate-governance/>.

### SUMMARY OF ACTIVITIES UNDERTAKEN BY THE NOMINATION COMMITTEE

The activities undertaken by the NC during the financial year review are as follows:

- Reviewed the current Board structure, size and composition with an aim to achieving a balance of views on the Board;
- Reviewed and assessed the effectiveness of the Board as a whole, the various Board Committees as well as the contribution of each individual Director;
- Assessed the independence of Independent Directors based on criteria set out in the Listing Requirements;
- Reviewed the character, experience, integrity, competence and time commitment of the Directors, Chief Executive Officer and the Chief Financial Officer;
- Reviewed and recommended the re-election of Directors at Annual General Meeting; and
- Reviewed the terms of office and performance of the AC and each of its members.

### BOARD APPOINTMENTS AND RE-ELECTION OF DIRECTORS

The NC has been entrusted with the responsibility to identify, evaluate, select and recommend to the Board of any suitable candidate with the required credential to be appointed as a Director of the Company.

The Company has adopted Directors’ Fit and Proper Policy which set out procedures to ensure a formal, rigorous and transparent process for appointment and re-election of Directors of the Company. In evaluating the suitability of candidates for the Board, the NC taken into consideration the following aspects, in line with the Directors’ Fit and Proper Policy of the Company, as follows:

(a)	<b>Character and integrity</b> (i) Probity (ii) Personal integrity (iii) Financial integrity (iv) Reputation
(b)	<b>Experience and competence</b> (i) Qualifications, training and skills (ii) Relevant experience and expertise (iii) Relevant past performance or track record
(c)	<b>Time and commitment</b> (i) Ability to discharge role having regard to other commitments (ii) Participation and contribution in the board or track record

## NOMINATION COMMITTEE REPORT (CONT'D)

### BOARD APPOINTMENTS AND RE-ELECTION OF DIRECTORS (CONT'D)

In the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors based on the criteria prescribed in the ACE LR of Bursa Securities.

The Board may appoint an individual to be a Director by having selection process for new appointees as recommended by the NC to the Board. The appointed individual will stand for re-election at the next AGM in accordance with the Constitution of the Company. The suitable candidates to be considered for the appointment as Directors are facilitated through recommendations from the Directors, management and shareholders of the Company. The NC may seek professional advice from independent search firms as and when NC considers necessary to identify and short-list suitable candidates.

In FYE 2024, there was no new appointment of a Director of the Company. However, the Board through NC will continue to review and assess the composition of the Board in the Company.

Pursuant to the Company's Constitution, one-third (1/3) of the Board is subject to retirement by rotation at each AGM provided always that each Director shall retire at least once in every three (3) years and the retiring Director shall be eligible for re-election. Further, a retiring Director shall retain office until the conclusion of the AGM at which he retires.

Based on the annual assessment, the NC is satisfied with the performance of the Directors who are standing for re-election and has recommended to the Board for their proposed re-election in accordance with the Constitution of the Company. The Board supported the NC's recommendation to re-elect the eligible Directors standing for re-election at the forthcoming 8th AGM of the Company. The Directors who are retiring shall abstain from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board.

### BOARD ASSESSMENT AND ANNUAL EVALUATION

The Board through the NC conducted an annual evaluation to review the performance of each individual Director and the effectiveness of the Board and its Board Committees as well as the independence of Independent Non-Executive Directors. The annual evaluation was conducted through customised questionnaires guided by the Corporate Governance Guide of Bursa Securities.

The results of the annual evaluation and comments by the Directors were tabled and discussed at the NC meeting and thereafter reported at the Board meeting by the Chairperson of the NC. All evaluations carried out by the NC are properly documented.

Pursuant to Rule 15.20 of the ACE LR of Bursa Securities, the NC of a listed issuer must review the term of office and performance of an AC and each of its members annually to determine whether such AC and members have carried out their duties in accordance with their terms of reference. The NC had reviewed and assessed the performance of each of the members of the AC and was satisfied with the performance and effectiveness of the AC and each of its members.

The NC had upon its annual evaluation conducted on 25 April 2025, concluded that the Directors have discharged their duties satisfactory, objectively and professionally. The NC was also satisfied with the performance of the Board and its Board Committee.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Securemetric is pleased to present the Statement on Risk Management and Internal Control which outline the nature and scope of risk management and internal control system for the FYE 2024, pursuant to Rule 15.26(b) of ACE LR of Bursa Securities, Malaysian Code on Corporate Governance issued in 2021 and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guideline”) pursuant to Guidance Note 11 of ACE LR.

## BOARD’S RESPONSIBILITIES

The Board acknowledges its overall responsibility for the risk management and internal control system to cover the financial, compliance and operational controls of the Group as well as reviewing the adequacy, integrity, and effectiveness of the Group’s system of risk management and internal controls. The Group’s system is designed to manage the key areas of risk within an acceptable risk profile, rather than eliminating, the risk of not adhering to achieve the policies and business objectives and goals. The system of risk management and internal controls of the Group provides reasonable but not absolute assurance against occurrence of any material misstatement, losses, fraud or breaches of laws or regulations.

The Board believes that the review on the adequacy and effectiveness of the system of internal control and risk management is a concerted and continuous process. Such reviews are conducted through the various committees established by the Board and management. The Board has, through the Risk Management Committee, carried out the process of identifying, evaluating, monitoring and managing the key operational and financial risks affecting the achievement of its corporate objectives throughout the period.

The Board is of the view that the system of internal controls in place for the financial year under review is sound and adequate after taking into consideration of the costs and benefits to safeguard the Group’s assets and to protect the stakeholders’ interests in ensuring achievement of the business objectives and enhancing shareholder value.

## RISK MANAGEMENT

The Board recognises risk management as an integral part of system of internal control and good management practice in pursuit of its strategic objectives. The Board also acknowledges that all areas of the Group’s activities do involve some degree of risk and is committed to ensure that the Group has an effective risk management framework which allows the Group to identify, evaluate, manage and monitor risks within defined risk parameters that affect the achievement of the Group’s business objectives.

To carry out an effective risk management framework, the Board has oversight of the risk management through the Risk Management Committee, while the Chief Operating Officer reports to the Risk Management Committee on the processes, findings and remedial actions taken by management. The new risk will be identified by taking into consideration of the Group’s business objectives, strategies and targets, and external environmental factors. This covers matters such as, responses to significant risk identified, output from monitoring processes, and changes made to the system of risk management and internal controls.

The Board has formalised a Risk Management framework (“framework”) aids to the achievement of Group’s objectives and strategies by instilling continuous process of identifying, evaluating, profiling, mitigating, reporting and monitoring significant business risks that the Group may face.

The Group’s Framework encompasses the following:

- Risk management shall be an integral part of the Group’s culture and embedded into day-to-day management of operations, processes and structures and should be extensively applied in all decision-making and strategic planning;
- To report, monitor and continuous performance review on the risk profile faced by the Group in a proactive, responsible and accountable manner;
- Continuous implementing and monitoring of underlying risk management process and practices; and
- Risk management processes should apply to aim opportunities by balancing risks incurred, managing uncertainties and minimising threats associated to the opportunities.

The above framework facilitates and enhances the ability of the Board and management to manage risks within defined risk parameters and risk standards at the acceptable tolerance level.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### INTERNAL AUDIT FUNCTIONS AND EFFECTIVENESS OF INTERNAL CONTROL

The Group has outsourced its internal audit function to an independent professional service provider, Talent League Sdn. Bhd. ("IA Consultant"). The duty of the internal audit function is to examine and evaluate major processes of operations of the Group in order to assist the Board in the effective discharge of the Board's responsibilities.

The IA Consultant aims to advise management on areas for improvement, highlight on significant findings in respect of any non-compliance and subsequently perform follow-up reviews to determine the extent to which the recommendations have been implemented.

The IA Consultant reports independently to the Audit Committee. In the course of performing its duties, the IA Consultant has unrestricted access to all functions, records, documents, personnel, or any other resources or information, at all levels throughout the Group. Being an independent third party, the IA Consultant is able to perform the internal audit function with impartiality, proficiency and due professional care.

The IA Consultant adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the Group. The performance of the internal audit function is carried out as per the annual audit plan approved by the Audit Committee. The internal control findings, weaknesses and recommendations as well as the management responses and action plan were deliberated during the quarterly reviews with the Audit Committee. The key management team is responsible for ensuring correction, corrective actions, preventive actions and recommendations on reported weaknesses are attended within the required time frame.

During the financial year under review, the IA Consultant had conducted various risks-based internal audit ("RBIA") assignments every quarter and made recommendations in improving the system of internal controls to the Risk Management Committee. The areas of RBIA audit covered during the financial year were as follows:

- Q1 2024: Branch Reporting (Philippines)
- Q2 2024: Business Continuity Management; Corporate Liability Review; Risk Management Review; and ESG Management Review
- Q4 2024: Product Development; and Management Information System

### OTHER KEY INTERNAL CONTROLS

The Board is committed in maintaining a strong control structure and environment to facilitate the proper conduct of the Group's businesses and operations. The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls are as stated below:

- **Organisational Structure**

The Group has in place an organisational structure that is aligned to business efficacy and operational requirements, with clearly defined lines of accountability, responsibility and delegated authority. The Board is the pinnacle of the corporate governance structure of the Group. The Board is assisted not only by the key management team, but also by delegation of authority to the independent board committees such as the Audit, Risk Management, Nomination and Remuneration Committees in specific areas for enhanced internal control and corporate governance. These Board Committees are all governed by clearly defined terms of reference.

- **Executive Review and Management Meetings**

There has been active participation by the Executive Directors in the day-to-day running of business operations, and regular dialogues with management of the respective business units.

Management meetings, attended by the Executive Directors and respective Head of Department are held on a monthly basis to identify, discuss and report on operational performance, business strategy, financial and key management issues for effective monitoring and decision making. In addition to the regular meetings, other ad hoc meetings are convened as and when necessary to stay on course of achieving the Group's goal and objectives.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### OTHER KEY INTERNAL CONTROLS (CONT'D)

- **Policies, Procedures and Financial Authority Limits**

The Group has in place, documented policies and procedures to govern the financial and operational functions, and internal control system of the Group. The objectives of the policies and procedures are to ensure ethical conduct, compliance with applicable laws and regulations, internal control principles and mechanisms are embedded in operations and that there is a clear line of responsibility and accountability among the business units of the Group. Some of the key policies and procedures implemented within the Group are:

(a) Group's Authority Manual

The Group's Authority Manual assigns authority to the Board and to the appropriate level of management staff to exercise control on the Group's commitment of both capital and operational expenditures. It provides limits to enable decisions to be taken timely and at the same time, provides check and balance on the amounts and types of commitments that management can undertake on behalf of the Group. The Authority Manual is approved by the Board and is regularly updated as and when is necessary, in line with the changes in the organisation.

(b) Operational Manuals

Operational manuals for business units are available within the Group. It sets out policies and procedures for day-to-day operations and act as guidance to 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.

(c) IT Policies and Procedures

The IT Security Policy incorporates the Corporate Policy among others, the usage of personal computer software, e-mail and internet; management of IT assets, security implementation for the antivirus level protection and hardware systems support procedures. It is established to achieve and maintain confidentiality, integrity, availability, authenticity and reliability of information and data processing.

(d) Whistle Blowing Policy

The Group's whistle blowing policy guides employees of the Group in communicating and reporting instances of illegal or immoral conduct to the appropriate parties within the Group and at the same time, protecting these employees against victimisation, discrimination or being disadvantaged in any way arising from such communications. Arrangements are in place for the proportionate and independent investigations on all allegations or reports from within or outside the Group with appropriate follow up actions. The policy builds into the Group's culture, abhorrence for fraud, and that any conduct of this nature will not be tolerated. It also promotes a transparent and open environment for fraud reporting within the Group.

(e) Group Communication Policy

The Board has also adopted a Communication Policy to ensure that all decisions made are communicated promptly to all staff at all levels within the Group and to enable the Group to communicate effectively with its shareholders, major investors, other stakeholders and public, generally with the intention of giving them a clear picture of the Group's performance and operations.

(f) Human Resource Policy

The Group has implemented a Human Resource Policy and Code of Conduct that sets out general employment terms and conditions and sets the tone for control consciousness and employee conduct. It is designed to provide guidelines to employees with the objective of ensuring issues and matters during the tenure of their employment are properly understood by all employees. It is a written guideline which clearly defines the organisation's vision, mission, culture, values, policies, company's expectations of employees and employee's expectations toward the Company.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### OTHER KEY INTERNAL CONTROLS (CONT'D)

- **Policies, Procedures and Financial Authority Limits (Cont'd)**

- (f) Human Resource Policy (Cont'd)

The Group has also incorporated Succession Planning policies and procedures within the Human Resource Policy. This is part of the Group's organisational development initiative to ensure leadership and talent continuity for all key positions and to enhance the Group's capability to systematically identify, evaluate, develop, deploy and retain those who are qualified, eligible and suitable to be potential successors for Senior Level Mission Critical Positions.

In addition, internal control procedures have been set out in a series of other standard operating practice manuals and business process manuals to serve as guidance for proper measures to be undertaken and are subject to regular review, enhancement and improvement to ensure that they stay relevant and to align with the best practices.

- (g) Corporate Liability Policy

The Group adopted an Anti-Corruption and Bribery Policy ("ACBP") to show the Group's commitment to transparency, integrity and accountability. Any forms of bribery and corruption are unacceptable and will not be tolerated. ACBP has control measures to detect and prevent bribery as well as proper training and communication of such policies and procedures.

- **Strategic Business Planning, Budgeting and Reporting**

A Group strategic business planning process is in place where the financial planning is correlated to the Group's strategic business plans. The Group performs an annual budgeting and forecasting exercise including development of business strategies and establishment of key performance indicators against which units within the Group can be evaluated. The Group's strategic direction is also reviewed annually in light of the prevailing market conditions and significant market risks.

Financial performance and monthly management accounts which serve as a monitoring tool are circulated to key management staff and regularly compared against budget, with detailed explanations provided for material variances, reviews of internal and external factors contributing to performance, and management actions taken to improve the results. Variances against budget are analysed and reported internally on a monthly basis in management meetings.

- **Performance Reporting and Monitoring**

On a quarterly and annual basis, the financial performance and progress of key projects are reported and reviewed by the Board to enable them to gauge the Group's achievement of its annual targets and review any key financial and operational issues.

The Audit Committee reviews the quarterly financial statements with the Executive Directors before it recommends to the Board for approval to release the financial results to Bursa Malaysia Securities Berhad. The audited financial statements are reviewed with the external auditors before recommending them to the Board for tabling them to the shareholders at the annual general meeting.

- **Investment Appraisal**

Major investment proposals on mergers and acquisitions as well as long-term business investments are thoroughly reviewed and appraised by the Audit Committee, before recommending them to the Board.

- **Insurance and Physical Safeguards**

Adequate insurance provision and security measures on major assets of the Group are provided to ensure that it sufficiently safeguarded against any mishap that will result in material losses to the Group.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### OTHER KEY INTERNAL CONTROLS (CONT'D)

- **Regular Visits**

The Group conduct regular visits to operating units by members of the Board and management.

### ASSURANCE STATEMENT BY KEY MANAGEMENT TEAM

The Chief Executive Officer and Chief Financial Officer have provided assurance to the Board, to the best of their knowledge and belief, that the Group's risk management and internal control system were operating adequately and effectively in all material aspects, to meet the Group's objectives during the financial year under review until the date of this Statement on Risk Management and Internal Control.

### REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Rule 15.23 of the ACE LR, the external auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in this Annual Report for FYE 2024. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report* issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Directors and management thereon.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement on Risk Management and Internal Control is not prepared in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guideline, nor is factually inaccurate.

### CONCLUSION

The Board is of the opinion that the system of risk management and internal control that has been instituted throughout the Group is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's 2024 Annual Report. The Board and the management will continue to review and take measures to strengthen and improve the internal control environment from time to time based on the recommendations proposed by the IA Consultant.

The Board recognises that the development of the system of internal control is an ongoing process as part of its efforts in managing the risks faced by the Group. Consequently, the Board maintains an ongoing commitment to further strengthen the control environment within the Group.

This Statement on Risk Management and Internal Control is issued in accordance with a resolution of the Board of Directors dated 25 April 2025.

## ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Part A of Appendix 9C of the Listing Requirements of Bursa Malaysia Securities Berhad:

### STATUS OF UTILISATION OF PROCEEDS

#### Utilisation of proceeds from private placement exercise

On 3 August 2021, 40,476,000 new Securemetric Shares, which were issued at RM0.139 each, were listed on the ACE Market of Bursa Malaysia Securities Berhad pursuant to Securemetric's private placement exercise ("Private Placement"). On 18 May 2023, Securemetric announced that the Company has extended the timeframe of the utilisation of proceeds raised from the Private Placement for certification costs and IT infrastructure till 2 August 2025.

The details of the utilisation of the proceeds from the Private Placement was as follows:

Details of utilisation	Proposed utilisation	Actual utilisation	Deviation: Surplus/(Deficit)	Balance	Estimated timeframe for utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000	
Working capital	2,951	(2,978)	27	–	Utilised
Certification costs	1,280	(83)	–	1,197	By August 2025
IT infrastructure	1,280	(1,280)	–	–	Utilised
Expenses for Private Placement	115	(88)	(27) <sup>(1)</sup>	–	Utilised
<b>Total</b>	<b>5,626</b>	<b>(4,429)</b>	<b>–</b>	<b>1,197</b>	

Note:

<sup>(1)</sup> The excess of RM0.027 million had been utilised for general working capital requirements of the Group.

### AUDIT AND NON-AUDIT FEES

During FYE 2024, the amount of audit and non-audit fees paid and payable by the Company and the Group to its External Auditors are as follows:

	Company RM'000	Group RM'000
Statutory audit fee		
- UHY	142	190
- Member firm of UHY	–	60
Non-audit fees		
- UHY	5	5

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### **Material Contracts**

During FYE 2024, there were no material contracts entered into by the Company and its subsidiaries involving Directors, Chief Executive and/or major shareholders.

### **Contracts Relate to a Loan**

There was no contracts which relate to a loan entered into by the Company and its subsidiaries involving Directors, Chief Executive and/or major shareholders during FYE 2024.

### **Employees Share Issuance Scheme**

There was no Employees Share Issuance Scheme during FYE 2024.

### **Recurrent Related Party Transactions**

During FYE 2024, there was no material Recurrent Related Party Transactions of a revenue or trading nature which requires shareholders' mandate.

### **Revaluation Policy on Landed Properties**

The Company does not have a revaluation policy as it does not own any landed properties.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements of the Group and of the Company for each financial year which have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia (the "Act") so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements of the Group and of the Company for the FYE 2024, the Directors have:

- adopted and applied the appropriate and relevant accounting policies consistently;
- prepared the financial statements on a going concern basis, with reasonable expectation that the Group and the Company have adequate resources to continue in operational existence in the foreseeable future;
- made judgments and estimates that are reasonable and prudent; and
- complied with applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the Group and the Company keep proper accounting and other records which disclosed the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure the financial statements of the Group and of the Company comply with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act in Malaysia.

The Directors have general responsibility for taking such reasonable steps to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

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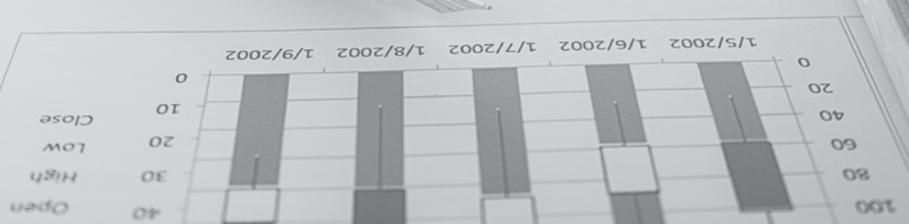
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## DIRECTORS' REPORT

The Directors hereby present 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 activity of the Company is investment holding.

The principal activities of its subsidiaries include provision of digital security solutions, trading of electronic identification products and other related services.

### FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year, attributable to:		
- Owners of the parent	5,066,518	(7,046,637)
- Non-controlling interests	866	-
	5,067,384	(7,046,637)

### 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 year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

### ISSUE OF SHARES AND DEBENTURES

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

### OPTIONS GRANTED OVER UNISSUED SHARES

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

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS

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

Law Seeh Key \*  
Yong Kim Fui \*  
Clifton Heath Fernandez  
Shireen Chia Yin Ting  
Dato' Ng Wan Peng

\* Director of the Company and 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 as follows:

Nioo Yu Siong  
Endah Lestari  
Leo Nugraha Kusuma  
Tan Yung Hui, Gabriel  
Mary Jacqueline B. Haro  
Carlo C. Carranza  
Kevin C. Espiritu  
Jureza T. Biocarles  
Sea Chong Seak (Appointed on 23 May 2024)  
Jeramie M. Mercado (Appointed on 14 August 2024)  
Domingo C. Gomugda Jr. (Resigned on 14 August 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 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 according to the Register of Directors' Shareholdings are as follows:

	At 1.1.2024	Number of ordinary shares		At 31.12.2024
		Bought	Sold	
<b>Interests in the Company</b>				
<b>Direct Interests</b>				
Law Seeh Key	179,675,210	–	9,000,000	170,675,210
Yong Kim Fui	6,886,200	4,500,000	–	11,386,200

By virtue of his interests in the shares of the Company, Law Seeh Key is also deemed interested in the shares of all the subsidiaries during the financial year to the extent the Company has an interest under Section 8 of the Companies Act 2016.

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' REPORT (CONT'D)

### 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 emoluments received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was 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.

### DIRECTORS' REMUNERATION

The details of the Directors' remuneration of the Group and of the Company during the financial year ended 31 December 2024 are as follows:

	Group RM	Company RM
<b>Executive Directors:</b>		
Salaries and other emoluments	1,953,921	600
Defined contribution plans	235,508	-
Social security contributions	3,277	-
Other benefits	55,575	-
	2,248,281	600
<b>Non-executive Directors:</b>		
Fees	114,000	114,000
Other benefits	5,400	5,400
	119,400	119,400
	2,367,681	120,000

The Directors' remuneration of the Group do not include the estimated non-monetary value of benefit-in-kind amounting to RM15,000.

### INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group and of the Company were RM500,000 and RM5,800 respectively. No indemnity was given to or insurance effected for auditors of the Company.

## DIRECTORS' REPORT (CONT'D)

### 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 allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and that adequate allowance 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.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance 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 and of the Company which has arisen since the end of the financial year.
- (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 their obligations as and when they fall due;
  - (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 6 to the financial statements.

DIRECTORS' REPORT  
(CONT'D)**AUDITORS' REMUNERATION**

The details of the auditors' remuneration for the financial year ended 31 December 2024 are as follows:

	<b>Group RM</b>	<b>Company RM</b>
<b>Auditors' remuneration</b>		
- Statutory audit		
- UHY Malaysia PLT	190,000	142,000
- member firms of UHY International	59,505	-
- Non-statutory audit	5,000	5,000
	254,505	147,000

**AUDITORS**

The auditors, 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,

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LAW SEEH KEY

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YONG KIM FUI

KUALA LUMPUR

25 April 2025

**STATEMENT BY DIRECTORS**

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, 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 of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

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

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 LAW SEEH KEY

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 YONG KIM FUI

KUALA LUMPUR

25 April 2025

**STATUTORY DECLARATION**

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

I, Yong Kim Fui (MIA Membership No: 16784), being the Director primarily responsible for the financial management of Securemetric Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are 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 at Kuala Lumpur in the )  
 Federal Territory on 25 April 2025 )

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 YONG KIM FUI

Before me,

No. W790  
 ZAINUL ABIDIN BIN AHMAD

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 COMMISSIONER FOR OATHS

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SECUREMETRIC BERHAD  
[Registration No.: 201701019864 (1234029-D)]  
(Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Securemetric 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 or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 75 to 146.

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 and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

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

#### Independence and Other Ethical Responsibilities

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

#### Key Audit Matters

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

Key Audit Matters	How we addressed the key audit matters
<p><b>Impairment of trade receivables</b></p> <p>The Group's non-current and current trade receivables amounting to RM997,793 and RM12,327,107 respectively, which representing approximately 5% and 26% of the Group's total non-current assets and current assets respectively as at 31 December 2024.</p> <p>The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.</p>	<p>We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures.</p> <p>We assessed the recoverability of trade receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections.</p> <p>We have reviewed the appropriateness of the disclosures made in the financial statements.</p>

We have determined that there is no key audit matter in the audit of the financial statements of the Company to be communicated in our Auditors' Report.

INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SECUREMETRIC BERHAD  
[Registration No.: 201701019864 (1234029-D)]  
(Incorporated in Malaysia)  
(CONT'D)

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

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SECUREMETRIC BERHAD  
[Registration No.: 201701019864 (1234029-D)]  
(Incorporated in Malaysia)  
(CONT'D)

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

### 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)

- 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 6 to the financial statements.

INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SECUREMETRIC BERHAD  
[Registration No.: 201701019864 (1234029-D)]  
(Incorporated in Malaysia)  
(CONT'D)

**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

25 April 2025

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	2,145,482	1,571,259	588,188	–
Right-of-use assets	5	2,888,634	1,682,716	1,112,134	–
Investment in subsidiary companies	6	–	–	15,067,861	15,067,859
Investment in an associate	7	5,716,099	6,809,994	5,580,000	6,900,000
Other investments	8	6,095,250	6,095,250	6,095,250	6,095,250
Deferred tax assets	9	191,277	236,691	–	–
Trade receivables	10	997,793	1,069,063	–	–
Other receivables	11	593,644	773,479	–	–
<b>Total Non-Current Assets</b>		<b>18,628,179</b>	<b>18,238,452</b>	<b>28,443,433</b>	<b>28,063,109</b>
<b>Current Assets</b>					
Inventories	12	1,296,802	1,867,323	–	–
Contract assets	13	188,048	2,882,591	–	–
Trade receivables	10	12,327,107	6,939,818	–	–
Other receivables	11	8,397,285	5,613,410	759,133	556,539
Amount due from subsidiary companies	14	–	–	1,017,652	7,273,002
Tax recoverable		332,418	323,742	37,616	32,421
Fixed deposits with licensed banks	15	10,138,150	5,549,135	–	–
Cash and bank balances		14,957,067	17,280,107	140,714	1,659,654
<b>Total Current Assets</b>		<b>47,636,877</b>	<b>40,456,126</b>	<b>1,955,115</b>	<b>9,521,616</b>
<b>Total Assets</b>		<b>66,265,056</b>	<b>58,694,578</b>	<b>30,398,548</b>	<b>37,584,725</b>

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024  
(CONT'D)

		Group		Company	
Note	2024 RM	2023 RM	2024 RM	2023 RM	
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	16	41,399,638	41,399,638	41,399,638	41,399,638
Reserves	17	(12,461,758)	(10,716,696)	-	-
Retained earnings/ (Accumulated losses)		15,335,833	10,284,558	(14,156,050)	(7,109,413)
Equity attributable to the owners of the parent		44,273,713	40,967,500	27,243,588	34,290,225
Non-controlling interests		185,848	203,465	-	-
<b>Total Equity</b>		<b>44,459,561</b>	<b>41,170,965</b>	<b>27,243,588</b>	<b>34,290,225</b>
<b>Non-Current Liabilities</b>					
Lease liabilities	18	2,062,444	975,537	654,893	-
Contract liabilities	13	935,408	1,059,940	-	-
Employee defined benefit plan	19	199,253	220,201	-	-
<b>Total Non-Current Liabilities</b>		<b>3,197,105</b>	<b>2,255,678</b>	<b>654,893</b>	<b>-</b>
<b>Current Liabilities</b>					
Contract liabilities	13	10,448,796	6,181,565	-	-
Trade payables	20	2,249,614	3,361,046	-	-
Other payables	21	3,960,854	4,431,387	163,841	94,500
Amount due to a subsidiary company	14	-	-	1,865,578	3,200,000
Lease liabilities	18	904,686	667,429	470,648	-
Tax payable		1,044,440	626,508	-	-
<b>Total Current Liabilities</b>		<b>18,608,390</b>	<b>15,267,935</b>	<b>2,500,067</b>	<b>3,294,500</b>
<b>Total Liabilities</b>		<b>21,805,495</b>	<b>17,523,613</b>	<b>3,154,960</b>	<b>3,294,500</b>
<b>Total Equity and Liabilities</b>		<b>66,265,056</b>	<b>58,694,578</b>	<b>30,398,548</b>	<b>37,584,725</b>

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

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	22	64,008,452	41,447,731	–	–
Cost of sales	23	(32,807,074)	(17,328,495)	–	–
Gross profit		31,201,378	24,119,236	–	–
Other income		1,565,809	3,646,677	1,459,309	2,825,359
Administrative expenses		(25,382,442)	(26,774,473)	(2,721,289)	(6,105,536)
Net loss on impairment of financial instruments		(97,493)	(5,059)	(5,753,002)	–
Finance costs	24	(108,732)	(296,436)	(31,655)	–
Share of results of an associate, net of tax		226,106	(478,062)	–	–
Profit/(Loss) before tax	25	7,404,626	211,883	(7,046,637)	(3,280,177)
Taxation	26	(2,337,242)	(1,184,207)	–	–
Profit/(Loss) for the financial year		5,067,384	(972,324)	(7,046,637)	(3,280,177)
<b>Other comprehensive (loss)/income</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Exchange translation differences for foreign operations		(1,761,663)	1,027,062	–	–
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Remeasurement on employee defined benefit plan, net of tax		(17,125)	108,348	–	–
Total other comprehensive (loss)/income for the financial year		(1,778,788)	1,135,410	–	–
<b>Total comprehensive income/ (loss) for the financial year</b>		3,288,596	163,086	(7,046,637)	(3,280,177)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(CONT'D)

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
<b>Profit/(Loss) for the financial year attributable to:</b>					
Owners of the parent		5,066,518	(890,586)	(7,046,637)	(3,280,177)
Non-controlling interests		866	(81,738)	-	-
		<u>5,067,384</u>	<u>(972,324)</u>	<u>(7,046,637)</u>	<u>(3,280,177)</u>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		3,306,213	202,340	(7,046,637)	(3,280,177)
Non-controlling interests		(17,617)	(39,254)	-	-
		<u>3,288,596</u>	<u>163,086</u>	<u>(7,046,637)</u>	<u>(3,280,177)</u>
<b>Profit/(Loss) per share (sen)</b>					
- Basic	27(a)	0.88	(0.15)		
- Diluted	27(b)	0.88	(0.15)		

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			Distributable			
	Share Capital RM	Foreign Currency Translation Reserve RM	Other Reserves RM	Merger Reserve RM	Retained Earnings RM	Non- Controlling Interests RM	Total Equity RM
<b>Group</b>							
At 1 January 2024	41,399,638	284,693	3,274	(11,004,663)	10,284,558	203,465	41,170,965
Profit for the financial year	-	-	-	-	5,066,518	866	5,067,384
Other comprehensive loss for the financial year	-	(1,745,062)	-	-	(15,243)	(18,483)	(1,778,788)
Total comprehensive (loss)/income for the financial year	-	(1,745,062)	-	-	5,051,275	(17,617)	3,288,596
At 31 December 2024	41,399,638	(1,460,369)	3,274	(11,004,663)	15,335,833	185,848	44,459,561

STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(CONT'D)

	Attributable to owners of the parent									
	Non-Distributable					Distributable				
	Share Capital RM	Foreign Currency Translation Reserve RM	Other Reserves RM	Merger Reserve RM	Warrant Reserve RM	Retained Earnings RM	Total RM	Non- Controlling Interests RM	Total Equity RM	
<b>Group</b>										
At 1 January 2023	41,310,038	(720,339)	(38,201,876)	(11,004,663)	38,205,150	11,087,250	40,675,560	242,719	40,918,279	
Loss for the financial year	-	-	-	-	-	(890,586)	(890,586)	(81,738)	(972,324)	
Other comprehensive income for the financial year	-	1,005,032	-	-	-	87,894	1,092,926	42,484	1,135,410	
Total comprehensive income/ (loss) for the financial year	-	1,005,032	-	-	-	(802,692)	202,340	(39,254)	163,086	
<b>Transactions with owners:</b> Issuance of ordinary shares pursuant to:										
- Exercise of warrants (Note 16)	89,600	-	87,864	-	(87,864)	-	89,600	-	89,600	
- Expiration of warrants [Note 17(d)]	-	-	38,117,286	-	(38,117,286)	-	-	-	-	
Total transactions with owners	89,600	-	38,205,150	-	(38,205,150)	-	89,600	-	89,600	
At 31 December 2023	41,399,638	284,693	3,274	(11,004,663)	-	10,284,558	40,967,500	203,465	41,170,965	

STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(CONT'D)

	Share Capital RM	Other Reserves RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
<b>Company</b>					
At 1 January 2024	41,399,638	-	-	(7,109,413)	34,290,225
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(7,046,637)	(7,046,637)
At 31 December 2024	41,399,638	-	-	(14,156,050)	27,243,588
At 1 January 2023	41,310,038	(38,205,150)	38,205,150	(3,829,236)	37,480,802
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(3,280,177)	(3,280,177)
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to:					
- Exercise of warrants (Note 16)	89,600	87,864	(87,864)	-	89,600
Expiration of warrants [Note 17(d)]	-	38,117,286	(38,117,286)	-	-
Total transactions with owners	89,600	38,205,150	(38,205,150)	-	89,600
At 31 December 2023	41,399,638	-	-	(7,109,413)	34,290,225

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	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash Flows from Operating Activities</b>				
Profit/(Loss) before tax	7,404,626	211,883	(7,046,637)	(3,280,177)
Adjustments for:				
Allowance for slow moving inventories	64,205	–	–	–
Deposits written off	510,924	–	465,200	–
Depreciation of:				
- property, plant and equipment	584,473	512,058	46,812	–
- right-of-use assets	1,101,731	844,860	317,752	–
Finance costs	108,732	296,436	31,655	–
Impairment losses on:				
- amount due from subsidiary companies	–	–	5,753,002	–
- investment in an associate	1,320,000	1,700,000	1,320,000	1,700,000
- other investments	–	4,000,000	–	4,000,000
- trade receivables	121,423	39,496	–	–
Inventories written off	12,218	15,603	–	–
Property, plant and equipment written off	182,345	1,426	–	–
Unrealised (gain)/loss on foreign exchange	(11,255)	28,139	(7)	(1,591)
Dividend income	–	(200,000)	–	(200,000)
Gain on disposal of:				
- investment in an associate	–	(962,670)	–	(600,000)
- property, plant and equipment	(122)	(39,814)	–	–
- right-of-use assets	–	(76,420)	–	–
Gain on termination of lease liabilities	(9,504)	–	–	–
Interest income	(376,916)	(239,107)	(3,302)	(23,768)
Reversal of impairment losses on trade receivables	(23,930)	(34,437)	–	–
Reversal of allowance for slow moving inventories	(863)	(2,720)	–	–
Share of results of an associate, net of tax	(226,106)	478,062	–	–
	10,761,981	6,572,795	884,475	1,594,464

STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Changes in working capital:				
Inventories	435,689	(77,862)	-	-
Receivables	(8,563,336)	(3,325,778)	(667,794)	(518,723)
Payables	(1,553,317)	(641,897)	69,341	8,113
Contract assets/(liabilities)	6,837,242	(2,017,171)	-	-
	(2,843,722)	(6,062,708)	(598,453)	(510,610)
Cash generated from operations	7,918,259	510,087	286,022	1,083,854
Interest paid	(108,732)	(40,976)	(31,655)	-
Interest received	376,916	239,107	3,302	23,768
Tax paid	(1,917,012)	(902,185)	(5,195)	(560)
Tax refund	76,706	392,618	-	-
Exchange fluctuation adjustment	(1,782,706)	1,151,717	-	-
Net cash generated from operating activities	4,563,431	1,350,368	252,474	1,107,062
<b>Cash Flows from Investing Activities</b>				
Dividend received	-	200,000	-	200,000
Net movement in amount due from subsidiary companies	-	-	502,346	(1,460,000)
Purchase of property, plant and equipment	(1,341,635)	(1,140,878)	(635,000)	-
Purchase of right-of-use assets [Note 5(b)]	(75,601)	(66,762)	-	-
Proceeds from disposal of property, plant and equipment	280	42,528	-	-
Proceeds from disposal of right-of-use assets	-	110,000	-	-
Net cash used in investing activities	(1,416,956)	(855,112)	(132,654)	(1,260,000)
<b>Cash Flows from Financing Activities</b>				
Increase in fixed deposits pledged	(12,347)	(11,998)	-	-
Net movement in amount due to a subsidiary company	-	-	(1,334,422)	(1,000,000)
Payment of lease liabilities	(906,491)	(782,672)	(304,345)	-
Proceeds from issuance of shares pursuant to:				
- Exercise of warrants (Note 16)	-	89,600	-	89,600
Net cash used in financing activities	(918,838)	(705,070)	(1,638,767)	(910,400)

STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(CONT'D)

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,227,637	(209,814)	(1,518,947)	(1,063,338)
<b>Cash and cash equivalents at the beginning of the financial year</b>	22,389,783	22,565,020	1,659,654	2,721,401
<b>Effect of exchange translation differences on cash and cash equivalents</b>	25,991	34,577	7	1,591
<b>Cash and cash equivalents at the end of the financial year</b>	24,643,411	22,389,783	140,714	1,659,654
<b>Cash and cash equivalents at the end of the financial year comprises:</b>				
Cash and bank balances	14,957,067	17,280,107	140,714	1,659,654
Fixed deposits with licensed banks	10,138,150	5,549,135	-	-
	25,095,217	22,829,242	140,714	1,659,654
Less: Fixed deposit pledged to a licensed bank	(451,806)	(439,459)	-	-
	24,643,411	22,389,783	140,714	1,659,654
<b>Note to statements of cash flows</b>				
<b><u>Cash flows for leases as a lessee</u></b>				
<b>Included in net cash used in operating activities</b>				
Payment relating to short-term leases	59,711	68,316	-	-
Interest paid in relation to lease liabilities (Note 18)	108,732	40,976	31,655	-
	168,443	109,292	31,655	-
<b>Included in net cash used in financing activities</b>				
Payment of lease liabilities (Note 29)	906,491	782,672	304,345	-
Net cash outflows for leases	1,074,934	891,964	336,000	-

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 ACE Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company was located at Level 5-E-6, Hive 5, Taman Teknologi Mranti, Lebuhraya Puchong - Sg. Besi, Bukit Jalil, 57000 Kuala Lumpur. With effect from 1 May 2024, the Company's principal place of business has been relocated to Unit 2-12-01, Level 12, Ho Hup Tower, No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur.

The registered office of the Company was located at Level 5, Tower 8, Avenue 5, Bangsar South City, 59200 Kuala Lumpur. With effect from 10 July 2024, the registered office of the Company has been relocated to No. 3A, Mezzanine Floor, Jalan Ipoh Kecil, 50350 Kuala Lumpur.

The principal activity of the Company is investment holding.

The principal activities of its subsidiaries include provision of digital security solutions, trading of electronic identification products and other related services.

Further details of the subsidiaries have been disclosed in Note 6 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 ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of 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 MFRS issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for 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 effect on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024  
(CONT'D)

**2. BASIS OF PREPARATION (CONT'D)**

(a) Statement of compliance (Cont'd)

**Standards issued, but yet to be effective**

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

		<b>Effective for financial periods beginning on or after</b>
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 MFRS 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 applicable new MFRS and amendments to MFRSs when they become effective.

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

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and 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.

NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024  
(CONT'D)

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

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

### 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:

#### Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (ii) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (iii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

### 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:

#### Depreciation and useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment and ROU assets may differ from the estimates applied and therefore, future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

#### Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The details of carrying amount of recognised and unrecognised of deferred tax assets are disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS  
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**2. BASIS OF PREPARATION (CONT'D)**

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

**Key sources of estimation uncertainty (Cont'd)**

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices less estimated cost to sell. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 12.

Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss is disclosed in Note 10.

Discount rate used in leases

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

Defined benefit liability

Management estimates the defined benefit liability annually with the assistance of independent actuaries; however, the actual outcome may vary due to estimation uncertainties. The estimate is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Estimation uncertainties exist particularly with regard to medical cost trends, which may vary significantly in future appraisals of the Group's defined benefit obligations. The defined benefit liability of the Group at the reporting date is disclosed in Note 19.

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

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

### Key sources of estimation uncertainty (Cont'd)

#### Income taxes

Judgement is involved in determining the provision for income taxes. 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 tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2024, the Group has tax recoverable of RM332,418 (2023: RM323,742) and tax payable of RM1,044,440 (2023: RM626,508) respectively. As at 31 December 2024, the Company has tax recoverable of RM37,616 (2023: RM32,421).

## 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 unless otherwise stated.

- (a) Basis of consolidation

- (i) Subsidiaries

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less any accumulated impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss.

### Business combination - Merger method

A business combination in which all the combining entity or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of the subsidiaries resulted in a business involving common control entity since the management of all the entity which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entity in the consolidated financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidated had taken place before the state of the earliest year presented in the combined financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

**Business combination - Merger method (Cont'd)**

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been affected throughout the current period. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entity, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other reserves.

**Business combination - Acquisition method**

The Group applies the acquisition method to account for business combinations from the acquisition date, which is the date on which the control is transferred to the Group. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration transferred. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions are eliminated in full. Uniform accounting policies are applied to like transactions and events in similar circumstances.

(ii) Changes in ownership interests in subsidiaries without change of control

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's proportionate share of net assets before and after the change, and any fair value of consideration received or paid, is recognised directly in equity as transactions with shareholders.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or at fair value through other comprehensive income depending on the level of influence retained.

(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.

NOTES TO THE FINANCIAL STATEMENTS  
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### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(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.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM are translated to RM at the rate of exchange prevailing at the reporting date. 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 off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operations 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.

(d) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised. All other repair and maintenance are recognised in profit or loss during the financial year in which they are incurred.

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

NOTES TO THE FINANCIAL STATEMENTS  
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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

(d) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

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) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

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

Office equipment	10%
Computer and Information Technology (IT) equipment	33%
Furniture and fittings	10%
Renovation	10%
Motor vehicles	20%
Hostel equipment	10%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and year 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

As lessee

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

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or the cost of the ROU asset reflects that the Group and the Company will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which determined on the same basis as those of property, plant and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate is used. Generally, the Group and the Company use their incremental borrowing rate as the discount rate.

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.

NOTES TO THE FINANCIAL STATEMENTS  
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### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Leases (Cont'd)

As lessee (Cont'd)

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company' estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The Group and the Company will reassess whether it is reasonably certain to exercise the extension option if there is a significant change in circumstances within its control.

*Short-term leases and leases of low-value assets*

The Group and the Company have elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Financial assets

Recognition and initial measurement

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

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

The Group and the Company classify their financial assets as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

NOTES TO THE FINANCIAL STATEMENTS  
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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

(f) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

The Group and the Company classify their financial assets as follows: (Cont'd)

(i) Financial assets at amortised cost (Cont'd)

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

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

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

(1) Debt investments

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt investment is not designated as fair value through profit or loss. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(2) Equity investments

This category comprises investment in equity investment that is not held for trading. The Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represent a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS  
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(CONT'D)

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

(f) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

The Group and the Company classify their financial assets as follows: (Cont'd)

(iii) 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 fair value through other comprehensive income as at fair value through profit or loss 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. Net gains or losses, including any interest or dividend income are 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 assessment.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

(g) Financial liabilities

Recognition and initial measurement

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

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

NOTES TO THE FINANCIAL STATEMENTS  
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### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial liabilities (Cont'd)

Financial liability categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

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

The Group and the Company have not designated any financial liabilities as FVTPL.

(ii) Financial liabilities at amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

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

The Group's financial liabilities at amortised cost comprise trade and other payables and lease liabilities. The Company's financial liabilities at amortised cost comprise other payables, amount due to a subsidiary and lease liability.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(h) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowances; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(i) Offsetting of financial instruments

A financial asset and financial liability 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.

NOTES TO THE FINANCIAL STATEMENTS  
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### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Inventories

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

Cost of inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on first-in-first-out basis.

(k) Cash and cash equivalents

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

(l) Contract assets and liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

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.

(m) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) 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 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. 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 to reduce the carrying amounts of the assets in the cash-generating unit (group of cash-generating units).

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

(m) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

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.

(ii) 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 and contract assets, 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 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 365 days after credit term.

(n) Share capital

Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of direct 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.

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

(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. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

(ii) Defined contribution plans

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

(iii) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plan is an approved fund independent of the Group's finances and defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for actuarial gains/losses and unrecognised past service cost. The Group determines the present value of the defined benefit obligation and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of reporting period.

The defined benefit obligation, calculated annually using the Projected Unit Credit Method, is determined by independent actuaries, considering the estimated future cash outflows using market yields at reporting date of Government securities which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. The actuarial gains and losses are not subsequently reclassified to profit or loss in subsequent period.

Past-service costs are recognised immediately in profit or loss.

The Group recognises gains and losses on the settlement of a defined benefit plan when settlement occurs.

(p) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service 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.

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

(p) Revenue and other income (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources:

(a) Sale of goods

The Group is involved in the trading of electronic identification products. Sales are recognised in the accounting period when control of the products has been transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the designated location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers or in proportion to the stage of completion of the transaction during the reporting period. The stage of completion is assessed by reference to the proportion that costs incurred to date that reflect services performed bear to the total estimated costs of the transaction. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(ii) Interest income

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

(iii) Dividend income

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

(q) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(r) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is 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 financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and adjustment to tax payable in respect of previous financial 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 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.

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

(r) Income taxes (Cont'd)

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.

(s) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(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 uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group 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 recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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4. PROPERTY, PLANT AND EQUIPMENT

Group 2024	Office equipment RM	Computer and IT equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Hostel equipment RM	Total RM
<b>Cost</b>							
At 1 January 2024	260,598	3,407,514	236,895	289,855	777,577	12,748	4,985,187
Additions	82,738	487,713	105,347	662,581	-	3,256	1,341,635
Disposals	-	(13,587)	-	-	-	-	(13,587)
Written off	(102,398)	(180,776)	(120,169)	(245,417)	-	(3,069)	(651,829)
Transferred from inventories	-	59,272	-	-	-	-	59,272
Exchange differences	(4,559)	(70,918)	(4,149)	(2,962)	(47,720)	-	(130,308)
At 31 December 2024	236,379	3,689,218	217,924	704,057	729,857	12,935	5,590,370
<b>Accumulated depreciation</b>							
At 1 January 2024	143,869	2,824,929	169,107	161,029	103,627	11,367	3,413,928
Charge for the financial year	28,700	392,536	23,001	53,731	85,496	1,009	584,473
Disposals	-	(13,429)	-	-	-	-	(13,429)
Written off	(75,458)	(180,765)	(88,054)	(122,186)	-	(3,021)	(469,484)
Exchange differences	(2,963)	(56,298)	(3,556)	(3,006)	(4,777)	-	(70,600)
At 31 December 2024	94,148	2,966,973	100,498	89,568	184,346	9,355	3,444,888
<b>Carrying amount</b>							
At 31 December 2024	142,231	722,245	117,426	614,489	545,511	3,580	2,145,482

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

	Office equipment RM	Computer and IT equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Hostel equipment RM	Total RM
<b>Group</b>							
<b>2023</b>							
<b>Cost</b>							
At 1 January 2023	240,280	3,034,972	233,985	286,893	177,352	12,748	3,986,230
Additions	19,355	405,746	-	-	715,777	-	1,140,878
Disposals	(1,527)	(4,428)	-	-	(123,805)	-	(129,760)
Written off	(360)	(56,307)	(53)	-	-	-	(56,720)
Exchange differences	2,850	27,531	2,963	2,962	8,253	-	44,559
At 31 December 2023	260,598	3,407,514	236,895	289,855	777,577	12,748	4,985,187
<b>Accumulated depreciation</b>							
At 1 January 2023	119,068	2,471,625	147,150	135,456	167,599	10,428	3,051,326
Charge for the financial year	24,564	393,720	19,880	22,611	50,344	939	512,058
Disposals	(1,301)	(3,873)	-	-	(121,872)	-	(127,046)
Written off	(360)	(54,881)	(53)	-	-	-	(55,294)
Exchange differences	1,898	18,338	2,130	2,962	7,556	-	32,884
At 31 December 2023	143,869	2,824,929	169,107	161,029	103,627	11,367	3,413,928
<b>Carrying amount</b>							
At 31 December 2023	116,729	582,585	67,788	128,826	673,950	1,381	1,571,259

NOTES TO THE FINANCIAL STATEMENTS  
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4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Renovation RM
<b>Company</b>	
<b>2024</b>	
<b>Cost</b>	
At 1 January 2024	–
Additions	635,000
At 31 December 2024	635,000
<b>Accumulated depreciation</b>	
At 1 January 2024	–
Charge for the financial year	46,812
At 31 December 2024	46,812
<b>Carrying amount</b>	
At 31 December 2024	588,188

5. RIGHT-OF-USE ASSETS

	Buildings RM	Motor vehicles RM	Computer server RM	Total RM
<b>Group</b>				
<b>2024</b>				
<b>Cost</b>				
At 1 January 2024	1,091,150	753,041	616,017	2,460,208
Additions	2,265,304	–	342,213	2,607,517
Termination of lease contracts	(1,051,425)	–	–	(1,051,425)
Exchange differences	(39,726)	–	–	(39,726)
At 31 December 2024	2,265,303	753,041	958,230	3,976,574
<b>Accumulated depreciation</b>				
At 1 January 2024	528,241	198,425	50,826	777,492
Charge for the financial year	702,188	150,608	248,935	1,101,731
Termination of lease contracts	(760,667)	–	–	(760,667)
Exchange differences	(30,616)	–	–	(30,616)
At 31 December 2024	439,146	349,033	299,761	1,087,940
<b>Carrying amount</b>				
At 31 December 2024	1,826,157	404,008	658,469	2,888,634

NOTES TO THE FINANCIAL STATEMENTS  
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(CONT'D)

**5. RIGHT-OF-USE ASSETS (CONT'D)**

	<b>Buildings RM</b>	<b>Motor vehicles RM</b>	<b>Computer Server RM</b>	<b>Total RM</b>
<b>Group</b>				
<b>2023</b>				
<b>Cost</b>				
At 1 January 2023	1,455,593	708,815	–	2,164,408
Additions	467,725	444,763	616,017	1,528,505
Disposals	–	(400,537)	–	(400,537)
Lease modification	5,894	–	–	5,894
Expiration of lease contracts	(858,011)	–	–	(858,011)
Exchange differences	19,949	–	–	19,949
At 31 December 2023	1,091,150	753,041	616,017	2,460,208
<b>Accumulated depreciation</b>				
At 1 January 2023	743,996	409,179	–	1,153,175
Charge for the financial year	637,831	156,203	50,826	844,860
Disposals	–	(366,957)	–	(366,957)
Expiration of lease contracts	(858,011)	–	–	(858,011)
Exchange differences	4,425	–	–	4,425
At 31 December 2023	528,241	198,425	50,826	777,492
<b>Carrying amount</b>				
At 31 December 2023	562,909	554,616	565,191	1,682,716
				<b>Building RM</b>
<b>Company</b>				
<b>2024</b>				
<b>Cost</b>				
At 1 January 2024				–
Additions				1,429,886
At 31 December 2024				1,429,886
<b>Accumulated depreciation</b>				
At 1 January 2024				–
Charge for the financial year				317,752
At 31 December 2024				317,752
<b>Carrying amount</b>				
At 31 December 2024				1,112,134

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**5. RIGHT-OF-USE ASSETS (CONT'D)**

- (a) The motor vehicles of the Group with carrying amount of RM404,008 (2023: RM554,616) are pledged as securities for the related lease liabilities.
- (b) The aggregate costs for the right-of-use assets of the Group during the financial year acquired under lease financing and cash payments are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Aggregate costs	2,607,517	1,528,505	1,429,886	–
Less: Lease financing	(2,531,916)	(1,461,743)	(1,429,886)	–
<b>Cash payments</b>	<b>75,601</b>	<b>66,762</b>	<b>–</b>	<b>–</b>

**6. INVESTMENT IN SUBSIDIARIES**

- (a) Investment in subsidiaries

	Company	
	2024 RM	2023 RM
<b>Unquoted shares, at cost</b>		
In Malaysia	10,167,000	10,166,998
Outside Malaysia	4,900,861	4,900,861
	<b>15,067,861</b>	<b>15,067,859</b>

- (b) Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2024	2023	
<b>Direct holding</b>				
Securemetric Technology Sdn. Bhd. (“Securemetric Malaysia”)	Malaysia	100	100	Provision of digital security solutions as well as trading of electronic identification products, and other related services
Securemetric Technology Co., Ltd. (“Securemetric Vietnam”) *	Vietnam	100	100	Provision of digital security solutions as well as trading of electronic identification products, and other related services

NOTES TO THE FINANCIAL STATEMENTS  
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## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2024	2023	
<b>Direct holding (Cont'd)</b>				
Securemetric Technology, Inc. ("Securemetric Philippines") *	Philippines	99.99	99.99	Provision of digital security solutions as well as trading of electronic identification products, and other related services
PT Securemetric Technology ("Securemetric Indonesia") *	Indonesia	99.99	99.99	Provision of digital security solutions as well as trading of electronic identification products, and other related services
Securemetric Technology Pte. Ltd. ("Securemetric Singapore") *	Singapore	100	100	Trading of electronic identification products and other related services
PT Softkey Indonesia ("Softkey Indonesia") *	Indonesia	80	80	Trading of electronic identification products and other related services
Signing Cloud Sdn. Bhd. ("Signing Cloud Malaysia")	Malaysia	100	100	Provision of digital security solutions and other related services
Securemetric Mobile Security Sdn. Bhd. ("Mobile Security Malaysia")^	Malaysia	100	–	Provision of mobile security solutions, digital security solutions and other related services

\* Audited by member firms of UHY International Limited

^ Incorporated in November 2024, no audit is required during the financial year

- (i) On 6 November 2024, the Company incorporated a wholly-owned subsidiary company, Securemetric Mobile Security Sdn. Bhd., with a total cash consideration amounting to RM2.
- (ii) On 29 November 2024, Securemetric Technology, Inc., a 99.99% owned subsidiary of the Company had increased its paid-up share capital from 100,000 to 350,000 ordinary shares through issuance of 250,000 ordinary shares by way of share dividend (capitalisation of retained earnings).

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**6. INVESTMENT IN SUBSIDIARIES (CONT'D)**

(c) Material partly-owned subsidiary

The summarised financial information of the Group's subsidiary that have material non-controlling interests (amount before inter-company elimination) is as follows:

Name of company	Proportion of ownership, interest and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2024	2023	2024	2023	2024	2023
	%	%	RM	RM	RM	RM
Softkey Indonesia	20	20	866	(81,738)	185,848	203,465

(i) Summarised Statement of Financial Position

	2024 RM	2023 RM
Non-current assets	1,164,890	1,280,351
Current assets	292,952	316,517
Non-current liability	(74,671)	(89,354)
Current liabilities	(68,658)	(104,908)
Net assets	1,314,513	1,402,606

(ii) Summarised Statement of Profit or Loss and Other Comprehensive Income

	2024 RM	2023 RM
Revenue	651,256	660,571
Profit/(Loss) for the financial year	4,331	(408,691)
Other comprehensive (loss)/income for the financial year	(92,423)	212,424
Total comprehensive loss for the financial year	(88,092)	(196,267)

(iii) Summarised Statement of Cash Flows

	2024 RM	2023 RM
Net cash from/(used in) operating activities	72,745	(264,665)
Net cash used in investing activities	(17,185)	(10,168)
Net cash (used in)/from financing activity	(70,000)	75,000
Net decrease in cash and cash equivalents	(14,440)	(199,833)

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## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Material partly-owned subsidiary (Cont'd)

There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiaries which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiaries and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

## 7. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unquoted shares in Malaysia, at cost	8,600,000	8,600,000	8,600,000	8,600,000
Less: Accumulated impairment losses	(3,020,000)	(1,700,000)	(3,020,000)	(1,700,000)
	5,580,000	6,900,000	5,580,000	6,900,000
Share of post acquisition reserve	136,099	(90,006)	-	-
	5,716,099	6,809,994	5,580,000	6,900,000

Movements in the allowance for impairment losses is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	1,700,000	-	1,700,000	-
Impairment losses recognised	1,320,000	1,700,000	1,320,000	1,700,000
At 31 December	3,020,000	1,700,000	3,020,000	1,700,000

In the prior financial year, the Company entered into share sale and purchase agreement ("SSPA") and a shareholders' agreement ("SSA") with Innov8tif Consortium Sdn. Bhd. ("Innov8tif Consortium") for the disposal of its entire equity interest in Innov8tif Solutions Sdn. Bhd. ("Innov8tif Solutions") for total consideration of RM112,500, which settled by way of issuance of 112,500 new ordinary shares in Innov8tif Consortium at an issue price of RM1.00 per new share. Consequently, Innov8tif Solutions ceased to be an associate of the Company and Innov8tif Consortium become a 20% owned associate of the Company.

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**7. INVESTMENT IN AN ASSOCIATE (CONT'D)**

Details of the associate are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2024	2023	
<b>Direct holding</b>				
Innov8tif Consortium Sdn. Bhd. *	Malaysia	20	20	Investment holding
* Associate not audited by UHY Malaysia PLT				

The summarised financial information of the associates, not adjusted for the percentage of ownership held by the Group are as follows:

	Innov8tif Consortium	
	2024 RM	2023 RM
<b>Assets and liabilities</b>		
Non-current assets	30,338,430	29,200,086
Current assets	21,326	29,463
Total assets	30,359,756	29,229,549
Non-current liability	(29,112,500)	–
Current liabilities	(6,860)	(29,119,684)
Net assets	1,240,396	109,865
<b>Financial results</b>		
Revenue	–	–
Profit/(Loss) for the financial year	1,130,531	(452,635)
Other comprehensive income for the financial year	–	–
Total comprehensive income/(loss) for the financial year	1,130,531	(452,635)
<b>Group's share of results for the financial year ended 31 December</b>		
Group's share of profit/(loss)	226,106	(90,006)
Group's share of other comprehensive income	–	–
Group's share of total comprehensive income/(loss)	226,106	(90,006)
Group's share of net assets, representing carrying amount of Group's interest in an associate	248,079	21,973

NOTES TO THE FINANCIAL STATEMENTS  
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**8. OTHER INVESTMENTS**

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
<b>Non-current</b>				
<b>Financial assets at fair value through other comprehensive income</b>				
Unquoted shares, outside Malaysia	10,095,250	10,095,250	10,095,250	10,095,250
Less: Accumulated impairment losses recognised	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
	6,095,250	6,095,250	6,095,250	6,095,250

In the prior financial year, the Group recognised an impairment loss of RM4,000,000 on investment in unquoted shares as administrative expenses in the statements of profit or loss.

**9. DEFERRED TAX ASSETS**

	2024 RM	Group 2023 RM
At 1 January	236,691	138,571
Recognised in profit or loss	(31,694)	117,993
Recognised in other comprehensive income	1,242	(28,868)
Exchange differences	(14,962)	8,995
At 31 December	191,277	236,691

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**9. DEFERRED TAX ASSETS (CONT'D)**

The components and movements of deferred tax assets and liabilities are as follows:

**Deferred tax assets**

	Deferred revenue RM	Lease liabilities RM	Unutilised capital allowances RM	Others RM	Total RM
<b>Group</b>					
At 1 January 2024	22,268	122,092	132,987	213,206	490,553
Recognised in profit or loss	(14,404)	41,973	(11,759)	(16,473)	(663)
Recognised in other comprehensive income	-	-	-	1,242	1,242
Over provision in prior year	-	-	(55,749)	-	(55,749)
Exchange differences	(876)	(8,126)	-	(13,396)	(22,398)
At 31 December 2024 (before offsetting)	6,988	155,939	65,479	184,579	412,985
Less: Offsetting					(221,708)
At 31 December 2024 (after offsetting)					191,277
<b>Group</b>					
At 1 January 2023	147,347	129,509	-	128,913	405,769
Recognised in profit or loss	11,088	(9,854)	(53,495)	107,097	54,836
Recognised in other comprehensive income	-	-	-	(28,868)	(28,868)
(Over)/Under provision in prior year	(136,119)	-	186,482	(2,830)	47,533
Exchange differences	(48)	2,437	-	8,894	11,283
At 31 December 2023 (before offsetting)	22,268	122,092	132,987	213,206	490,553
Less: Offsetting					(253,862)
At 31 December 2023 (after offsetting)					236,691

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## 9. DEFERRED TAX ASSETS (CONT'D)

The components and movements of deferred tax assets and liabilities are as follows: (Cont'd)

### Deferred tax liabilities

	Accelerated capital allowances RM	Right-of-use assets RM	Others RM	Total RM
<b>Group</b>				
At 1 January 2024	(117,645)	(119,853)	(16,364)	(253,862)
Recognised in profit or loss	(10,457)	(40,503)	19,929	(31,031)
Over provision in prior year	55,749	–	–	55,749
Exchange differences	–	6,626	810	7,436
At 31 December 2024 (before offsetting)	(72,353)	(153,730)	4,375	(221,708)
Less: Offsetting				221,708
At 31 December 2024 (after offsetting)				–
<b>Group</b>				
At 1 January 2023	(76,835)	(128,249)	(62,114)	(267,198)
Recognised in profit or loss	16,225	10,672	36,260	63,157
(Under)/Over provision in prior year	(57,035)	–	9,502	(47,533)
Exchange differences	–	(2,276)	(12)	(2,288)
At 31 December 2023 (before offsetting)	(117,645)	(119,853)	(16,364)	(253,862)
Less: Offsetting				253,862
At 31 December 2023 (after offsetting)				–

NOTES TO THE FINANCIAL STATEMENTS  
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**9. DEFERRED TAX ASSETS (CONT'D)**

Deferred tax assets have not been recognised in respect of the following items:

	2024 RM	Group 2023 RM
Right-of-use assets and lease liabilities	–	1,413
Other deductible temporary differences	637,255	391,146
Unutilised capital allowances	719,467	604,322
Unused tax losses	16,399,962	16,493,381
	17,756,684	17,490,262

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.

For Malaysia entities, pursuant to Section 8 of the Finance Act 2021 (Act 833) and the amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the time limit on the carried forward unused tax losses has been extended to maximum of ten (10) consecutive years of assessment. Any unused tax losses accumulated up to the year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment (ie: from year of assessment 2019 to 2028) under the current tax legislation.

The unrecognised unused tax losses shall be disregarded after the end of the year of assessment as follows:

	2024 RM	Group 2023 RM
2030	4,984,440	4,984,440
2031	3,269,878	4,294,384
2032	3,468,810	3,468,810
2033	1,677,928	1,677,928
2034	445,406	–
Indefinite *	2,553,500	2,067,819
	16,399,962	16,493,381

\* The unrecognised unused tax losses of a foreign subsidiary can be carried forward indefinitely. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

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## 10. TRADE RECEIVABLES

	2024 RM	Group 2023 RM
<b>Non-current</b>		
Trade receivables	997,793	1,069,063
<b>Current</b>		
Trade receivables	12,793,347	7,311,523
Less: Accumulated impairment losses	(466,240)	(371,705)
	12,327,107	6,939,818
Total trade receivables	13,324,900	8,008,881

Trade receivables are non-interest bearing and are on 30 to 90 days (2023: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses of trade receivables are as follows:

	Lifetime allowance RM	Credit Impaired RM	Loss allowance RM
<b>Group</b>			
At 1 January 2024	44,818	326,887	371,705
Impairment losses recognised	579	120,844	121,423
Impairment losses reversed	(15,108)	(8,822)	(23,930)
Exchange differences	(2,644)	(314)	(2,958)
At 31 December 2024	27,645	438,595	466,240
At 1 January 2023	5,038	361,126	366,164
Impairment losses recognised	39,496	-	39,496
Impairment losses reversed	(198)	(34,239)	(34,437)
Exchange differences	482	-	482
At 31 December 2023	44,818	326,887	371,705

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

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**10. TRADE RECEIVABLES (CONT'D)**

The ageing analysis of trade receivables at the end of the reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
<b>Group</b>			
<b>2024</b>			
Not past due	7,076,031	(16,764)	7,059,267
Past due			
Less than 30 days	2,420,204	(7,044)	2,413,160
31 to 60 days	2,385,820	(227)	2,385,593
61 to 90 days	977,306	(2,302)	975,004
More than 90 days	493,184	(1,308)	491,876
	6,276,514	(10,881)	6,265,633
<b>Credit impaired</b>			
Individually impaired	438,595	(438,595)	–
	13,791,140	(466,240)	13,324,900
<b>2023</b>			
Not past due	3,441,300	(6,496)	3,434,804
Past due			
Less than 30 days	2,589,111	(38,152)	2,550,959
31 to 60 days	1,197,516	(24)	1,197,492
61 to 90 days	11,607	–	11,607
More than 90 days	814,165	(146)	814,019
	4,612,399	(38,322)	4,574,077
<b>Credit impaired</b>			
Individually impaired	326,887	(326,887)	–
	8,380,586	(371,705)	8,008,881

Trade receivables that are not past due nor individually impaired are creditworthy debtors with good payment records with the Group.

As at 31 December 2024, the Group has gross trade receivables amounting to RM6,276,514 (2023: RM4,612,399) were past due but not individually impaired. These relate to a number of independent customers from whom there is no recent history of default but with slower repayment records.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM438,595 (2023: RM326,887), relate to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

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## 11. OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-current</b>				
Deferred costs	592,969	772,862	-	-
Prepayments	675	617	-	-
	593,644	773,479	-	-
<b>Current</b>				
Other receivables				
- Third parties	1,701,653	350,822	-	-
- Related party	566,000	6,000	566,000	6,000
	2,267,653	356,822	566,000	6,000
Deferred costs	5,246,664	4,113,623	-	-
Deposits	343,821	699,837	150,810	508,200
Prepayments	538,936	442,220	42,323	42,339
Goods and Services				
Tax receivable	211	908	-	-
	8,397,285	5,613,410	759,133	556,539
	8,990,929	6,386,889	759,133	556,539

Related party represents associate of the Company. The amount due from related party is unsecured, non-interest bearing and repayable on demand.

Included in the other receivables of the Group is a refundable performance security bonds amounting to RM1,680,243 (2023: RM337,345) and are repayable within next twelve months upon the issuance of sale invoices.

Deferred cost represent advance payment to suppliers for hardware and software supports and maintenance.

When the Group was billed before maintenance services commences, this will give rise to deferred costs at the start of the contract. The deferred cost will be reversed and recognised as cost of sales upon satisfying the performance obligation within the contract.

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## 12. INVENTORIES

	2024 RM	Group 2023 RM
Goods-in-transit	42,147	346,706
Finished goods	1,254,655	1,520,617
	<u>1,296,802</u>	<u>1,867,323</u>
<b>Recognised in profit or loss</b>		
Inventories recognised as cost of sales	8,169,277	9,019,521
Allowance for slow moving inventories	64,205	–
Reversal of allowance for slow moving inventories	(863)	(2,720)
Inventories written off	12,218	15,603

## 13. CONTRACT ASSETS/(LIABILITIES)

(a) Contract assets

	2024 RM	Group 2023 RM
Software, consultancy and installation services	188,048	2,882,591

This represents Group's rights to consideration for work completed but not yet billed at the reporting date.

(b) Contract liabilities

	2024 RM	Group 2023 RM
<b>Non-current</b>		
Deferred revenue	935,408	1,059,940
<b>Current</b>		
Deferred revenue	10,448,796	6,181,565
	<u>11,384,204</u>	<u>7,241,505</u>

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### 13. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(b) Contract liabilities (Cont'd)

Deferred revenue represents advance consideration received (or an amount of consideration is due) from the customer in respect of services which are yet to be provided. The deferred revenue will be recognised as revenue when the related services is rendered.

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date, are as follows:

	<b>2024</b>	<b>Group</b>
	<b>RM</b>	<b>2023</b>
		<b>RM</b>
Aggregate amount of transaction price allocated to contracts that are partially unsatisfied as at 31 December	11,384,204	7,241,505

As of 31 December 2024, the aggregate amount of the transaction price allocated to remaining performance obligations is RM11,384,204 (2023: RM7,241,505). The Group will recognise this amount of revenue as and when performance obligations are satisfied, which is expected to occur over the next 3 years.

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

(a) Amount due from subsidiary companies

	<b>2024</b>	<b>Company</b>
	<b>RM</b>	<b>2023</b>
		<b>RM</b>
<b>Non-trade</b>		
Non-interest bearing	6,770,654	7,273,002
Less: Accumulated impairment losses	(5,753,002)	-
	1,017,652	7,273,002

These represents non trade in nature, unsecured, non-interest bearing advances and are repayable on demand.

Movements in the allowance for impairment losses are as follows:

	<b>2024</b>	<b>Company</b>
	<b>RM</b>	<b>2023</b>
		<b>RM</b>
At 1 January	-	-
Impairment losses recognised	5,753,002	-
At 31 December	5,753,002	-

(b) Amount due to a subsidiary company

This represents non trade in nature, unsecured, non-interest bearing advances and is repayable on demand.

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**15. FIXED DEPOSITS WITH LICENSED BANKS**

	2024 RM	Group 2023 RM
Deposits with tenures of:		
- less than 3 months	9,686,344	5,109,676
- more than 3 months	451,806	439,459
	10,138,150	5,549,135

Included in fixed deposits with licensed banks of the Group is an amount of RM451,806 (2023: RM439,459) which has been pledged to a licensed bank as security for bank guarantee facilities granted to a subsidiary.

The interest rates and maturity of deposits at the end of the reporting period are as follows:

	2024 RM	Group 2023 RM
Interest rate per annum	2.80% to 6.00%	2.25% to 4.50%
Maturity of deposits	1 to 12 months	1 to 12 months

**16. SHARE CAPITAL**

	Number of shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
<b>Issued and fully paid ordinary shares</b>				
At 1 January	577,066,000	576,506,000	41,399,638	41,310,038
Issuance of shares pursuant to:				
- Exercise of warrants	-	560,000	-	89,600
At 31 December	577,066,000	577,066,000	41,399,638	41,399,638

In the prior financial year, the Company issued 560,000 new ordinary shares pursuant to the exercise of warrants at an issue price of RM0.16 per share for a total cash consideration of RM89,600.

The new ordinary shares issued in the prior financial year, rank pari passu in all respects with the existing ordinary shares of the Company.

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.

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## 17. RESERVES

	Note	2024 RM	Group 2023 RM
Foreign currency translation reserve	(a)	(1,460,369)	284,693
Other reserves	(b)	3,274	3,274
Merger reserve	(c)	(11,004,663)	(11,004,663)
Warrant reserve	(d)	-	-
		(12,461,758)	(10,716,696)

(a) Foreign currency translation reserve

The 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) Other reserves

Other reserves comprise of tax amnesty. The subsidiaries, namely Securemetric Indonesia and Softkey Indonesia participated in the Tax Amnesty Program in accordance with Law No. 11/2016. Both subsidiaries paid the related redemption money amounting to RM3,274 (2023: RM3,274) and recorded the declared tax amnesty assets under other reserve.

(c) Merger reserve

The merger reserve arises from the difference between the nominal value of shares issued by the Company and the nominal value of shares of the subsidiary acquired under the merger method of accounting.

(d) Warrant reserve

	Group and Company			
	Number of warrants		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
<b>Warrants</b>				
At 1 January	-	243,500,000	-	38,205,150
Exercise of warrants	-	(560,000)	-	(87,864)
Expiration of warrants	-	(242,940,000)	-	(38,117,286)
At 31 December	-	-	-	-

This represents the fair value of the warrants issued and is non-distributable.

On 4 February 2020, the Company had issued 243,600,000 warrants pursuant to bonus issue of warrants to all the entitled shareholders of the Company on the basis of one (1) warrant for every one (1) existing ordinary shares held in the Company.

The warrants are constituted under a Deed Poll executed on 3 January 2020 and each warrant entitles the registered holder the right at any time during the exercise period from 22 January 2020 to 21 January 2023 to subscribe in cash for one new ordinary share of the Company at an exercise price of RM0.16 each.

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## 17. RESERVES (CONT'D)

(d) Warrant reserve (Cont'd)

The new ordinary shares allotted and issued upon exercise of the warrants shall rank pari passu in all respects with the existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

As at 20 January 2023, 242,940,000 warrants remained unexercised and expired. The expired warrants have been removed from the Official List of Bursa Malaysia Securities Berhad on 25 January 2023.

## 18. LEASE LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	1,642,966	945,344	–	–
Additions	2,531,916	1,461,743	1,429,886	–
Termination of lease contracts	(300,262)	–	–	–
Lease modification	–	5,894	–	–
Accretion of interest	108,732	40,976	31,655	–
Payments	(1,015,223)	(823,648)	(336,000)	–
Exchange differences	(999)	12,657	–	–
At 31 December	2,967,130	1,642,966	1,125,541	–
Presented as:				
Non-current	2,062,444	975,537	654,893	–
Current	904,686	667,429	470,648	–
	2,967,130	1,642,966	1,125,541	–

The maturity analysis of lease liabilities of the Group and the Company at the end of the reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within one year	1,006,293	727,043	504,000	–
Later than one year but not later than two years	972,875	345,859	504,000	–
Later than two years but not later than five years	1,191,461	702,697	168,000	–
	3,170,629	1,775,599	1,176,000	–
Less: Future finance charges	(203,499)	(132,633)	(50,459)	–
Present value of lease liabilities	2,967,130	1,642,966	1,125,541	–

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### 18. LEASE LIABILITIES (CONT'D)

The Group leases buildings, motor vehicles and computer server. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities at the reporting date was range from 3.24% to 5.00% (2023: 2.30% to 3.67%).

### 19. EMPLOYEE DEFINED BENEFIT PLAN

	2024 RM	Group 2023 RM
Present value of defined benefit obligations	199,253	220,201

The subsidiaries in Indonesia operate an unfunded defined benefit retirement benefit scheme for its employees based on the provisions of Labour Law No. 13/2003. The latest independent actuarial report is dated 4 February 2025.

Movements in the present value of defined benefit obligations of the Group are as follows:

	2024 RM	Group 2023 RM
At 1 January	220,201	274,541
Recognised in profit or loss:		
- Current service costs	(24,464)	57,265
Remeasurement recognised in other comprehensive income:		
- Effects of experience adjustment	18,367	(137,216)
Exchange differences	(14,851)	25,611
At 31 December	199,253	220,201

The principal actuarial assumptions at the end of the reporting period are as follows:

	2024 RM	Group 2023 RM
Discount rate at 31 December	7.1%	6.7% - 6.8%
Expected rate of salary increases	4.0%	4.0%
Normal retirement age	58 years	58 years

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**19. EMPLOYEE DEFINED BENEFIT PLAN (CONT'D)**

Sensitivity analysis

The effect of changes in the principal actuarial assumptions on the present value of unfunded obligations of the Group are as follows:

	+1% RM	Group	-1% RM
<b>2024</b>			
(Decrease)/Increase of present value of unfunded obligations			
- Discount rates	(42,868)		50,803
- Expected salary	50,684		(42,900)
<b>2023</b>			
(Decrease)/Increase of present value of unfunded obligations			
- Discount rates	(53,022)		62,185
- Expected salary	62,040		(53,063)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

**20. TRADE PAYABLES**

	2024 RM	Group	2023 RM
Trade payables			
- Third parties	2,249,614		3,361,046

The trade credit terms granted to the Group range from 30 to 90 days (2023: 30 to 90 days) depending on the terms of the contracts.

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**21. OTHER PAYABLES**

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Other payables	1,566,632	2,678,111	941	-
Goods and Services				
Tax payable	212,002	129,761	-	-
Accruals	2,182,220	1,623,515	162,900	94,500
	3,960,854	4,431,387	163,841	94,500

**22. REVENUE**

	2024 RM	Group 2023 RM
<b>Revenue from contracts with customers</b>		
Sale of goods	16,733,742	17,553,004
Rendering of services	47,274,710	23,894,727
	64,008,452	41,447,731
<b>Timing of revenue recognition</b>		
At a point in time	46,010,462	29,089,133
Over time	17,997,990	12,358,598
Total revenue from contracts with customers	64,008,452	41,447,731

Revenue from contracts customers recognised for the Group in the current financial year included RM6,181,565 (2023: RM6,091,648) that was included in the contract liabilities at the beginning of the financial year.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 to not disclose information about performance obligations that have original expected durations of 1 year or less.

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## 22. REVENUE (CONT'D)

Set below is the disaggregation of the Group's revenue from contracts with customers:

	Digital security solutions RM	Electronic identification products RM	Maintenance services RM	Others RM	Total RM
<b>Group</b>					
<b>2024</b>					
<b>Type of goods and services</b>					
Sale of goods	14,050,825	1,044,186	–	1,638,731	16,733,742
Rendering of services	13,453,849	–	17,386,420	16,434,441	47,274,710
Total revenue from contracts with customers	27,504,674	1,044,186	17,386,420	18,073,172	64,008,452
<b>Geographical market</b>					
Malaysia	4,642,673	558,665	2,071,838	9,651,010	16,924,186
Vietnam	5,523,686	42,250	2,519,766	246,840	8,332,542
Philippines	8,097,125	35,474	4,865,340	8,089,880	21,087,819
Indonesia	3,878,180	407,797	4,642,655	60	8,928,692
United States	328,904	–	–	28,012	356,916
Singapore	3,058,028	–	2,324,167	1,345	5,383,540
Others	1,976,078	–	962,654	56,025	2,994,757
Total revenue from contracts with customers	27,504,674	1,044,186	17,386,420	18,073,172	64,008,452
<b>Timing of revenue recognition</b>					
At a point in time	26,893,104	1,044,186	–	18,073,172	46,010,462
Over time	611,570	–	17,386,420	–	17,997,990
Total revenue from contracts with customers	27,504,674	1,044,186	17,386,420	18,073,172	64,008,452

NOTES TO THE FINANCIAL STATEMENTS  
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## 22. REVENUE (CONT'D)

Set below is the disaggregation of the Group's revenue from contracts with customers: (Cont'd)

	Digital security solutions RM	Electronic identification products RM	Maintenance services RM	Others RM	Total RM
<b>Group</b>					
<b>2023</b>					
Type of goods and services					
Sale of goods	14,352,504	3,200,500	–	–	17,553,004
Rendering of services	10,590,507	–	12,024,818	1,279,402	23,894,727
<hr/>					
Total revenue from contracts with customers	24,943,011	3,200,500	12,024,818	1,279,402	41,447,731
<hr/>					
<b>Geographical market</b>					
Malaysia	5,620,438	2,682,708	1,361,870	813,143	10,478,159
Vietnam	5,381,963	112,861	1,281,817	376,121	7,152,762
Philippines	5,457,946	–	2,211,242	32,936	7,702,124
Indonesia	2,293,297	404,931	4,090,850	26	6,789,104
United States	122,949	–	–	11,510	134,459
Singapore	3,614,852	–	2,166,650	973	5,782,475
Others	2,451,566	–	912,389	44,693	3,408,648
<hr/>					
	24,943,011	3,200,500	12,024,818	1,279,402	41,447,731
<hr/>					
<b>Timing of revenue recognition</b>					
At a point in time	24,609,231	3,200,500	–	1,279,402	29,089,133
Over time	333,780	–	12,024,818	–	12,358,598
<hr/>					
Total revenue from contracts with customers	24,943,011	3,200,500	12,024,818	1,279,402	41,447,731
<hr/>					

## 23. COST OF SALES

	Group	
	2024 RM	2023 RM
Sale of goods	8,169,277	9,019,521
Services rendered	24,637,797	8,308,974
	32,807,074	17,328,495

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## 24. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Interest expenses on:</b>				
Lease liabilities	108,732	40,976	31,655	-
Unwinding interest on non-current trade receivable	-	255,460	-	-
	108,732	296,436	31,655	-

## 25. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at after charging/(crediting):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- statutory				
- UHY Malaysia PLT	190,000	110,000	142,000	82,000
- member firms of UHY International	59,505	59,843	-	-
- non-statutory	5,000	5,000	5,000	5,000
Allowance for slow moving inventories	64,205	-	-	-
Deposits written off	510,924	-	465,200	-
Depreciation of:				
- property, plant and equipment	584,473	512,058	46,812	-
- right-of-use assets	1,101,731	844,860	317,752	-
Impairment losses on:				
- amount due from subsidiary companies	-	-	5,753,002	-
- investment in an associate	1,320,000	1,700,000	1,320,000	1,700,000
- other investments	-	4,000,000	-	4,000,000
- trade receivables	121,423	39,496	-	-
Inventories written off	12,218	15,603	-	-
Non-executive Directors' remuneration				
- fees	114,000	114,000	114,000	114,000
- allowances	5,400	5,400	5,400	5,400
Lease expenses relating to short-term leases				
- office	29,111	38,016	-	-
- hostel	30,600	30,300	-	-
Property, plant and equipment written off	182,345	1,426	-	-
Compensation from an associate	(1,120,000)	(2,000,000)	(1,120,000)	(2,000,000)

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**25. PROFIT/(LOSS) BEFORE TAX (CONT'D)**

Profit/(Loss) before tax is arrived at after charging/(crediting): (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Dividend income from:				
- an associate	-	(200,000)	-	(200,000)
Gain on termination of lease liabilities	(9,504)	-	-	-
Gain on disposal of:				
- investment in an associate	-	(962,670)	-	(600,000)
- property, plant and equipment	(122)	(39,814)	-	-
- right-of-use assets	-	(76,420)	-	-
(Gain)/Loss on foreign exchange				
- unrealised	(11,255)	28,139	(7)	(1,591)
- realised	189,452	155,201	14	1,558
Interest income	(376,916)	(239,107)	(3,302)	(23,768)
Reversal of impairment losses on trade receivables	(23,930)	(34,437)	-	-
Reversal of allowance for slow moving inventories	(863)	(2,720)	-	-

**26. TAXATION**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Tax expenses recognised in profit or loss</b>				
Current tax provision				
- Malaysian tax	558	5,201	-	-
- Foreign tax	2,298,559	1,270,156	-	-
Under provision in prior year	6,431	26,843	-	-
	2,305,548	1,302,200	-	-
<b>Deferred tax (Note 9)</b>				
Relating to origination and reversal of temporary differences	31,694	(117,993)	-	-
	2,337,242	1,184,207	-	-
<b>Tax expenses relating to item of other comprehensive income that will not be reclassified to profit or loss</b>				
<b>Deferred tax (Note 9)</b>				
Relating to origination and reversal of temporary differences	(1,242)	28,868	-	-

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## 26. TAXATION (CONT'D)

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory income tax rate to income tax expenses/(credit) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	7,404,626	211,883	(7,046,637)	(3,280,177)
At Malaysian statutory tax rate of 24% (2023: 24%)	1,777,110	50,852	(1,691,193)	(787,242)
Effect of different tax rate in other jurisdictions	(58,496)	(112,655)	-	-
Expenses not deductible for tax purposes	889,754	3,449,215	1,959,993	1,411,242
Income not subject to tax	(341,498)	(2,337,711)	(268,800)	(624,000)
Deferred tax assets not recognised	354,585	421,940	-	-
Utilisation of previously unrecognised tax losses	(290,644)	(314,277)	-	-
Under provision of income tax in prior year	6,431	26,843	-	-
Tax expenses for the financial year	2,337,242	1,184,207	-	-

## 27. PROFIT/(LOSS) PER SHARE

### (a) Basic profit/(loss) per share

The basic profit/(loss) per share are calculated based on the consolidated profit/(loss) for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024	2023
Profit/(Loss) for the financial year, attributable to owners of the parent (RM)	5,066,518	(890,586)
Weighted average number of ordinary shares in issue (in units)		
- Ordinary shares in issue at 1 January	577,066,000	576,506,000
- Conversion of warrants	-	536,986
Weighted average number of ordinary shares in issue at 31 December	577,066,000	577,042,986
Basic profit/(loss) per ordinary share (sen)	0.88	(0.15)

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## 27. PROFIT/(LOSS) PER SHARE (CONT'D)

(b) Diluted profit/(loss) per share

The Group has no dilution in their profit/(loss) per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the reporting period and before the authorisation of these financial statements.

## 28. STAFF COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	114,000	114,000	114,000	114,000
Salaries, wages and other emoluments	13,604,922	12,910,654	6,000	6,000
Defined contribution plans	1,379,918	1,261,918	-	-
Social security contributions	171,408	158,431	-	-
Other benefits	372,603	256,245	-	-
Defined benefit plans	(24,464)	57,265	-	-
	15,618,387	14,758,513	120,000	120,000

The staff costs of the Group do not include the estimated non-monetary value of benefit-in-kind amounting to RM15,000 (2023: RM15,000).

Included in staff costs is aggregate amount of remuneration received by the Executive Directors of the Group and of the Company during the financial year as below:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Executive Directors</b>				
<b>Company's Directors</b>				
Salaries and other emoluments	1,595,600	1,075,850	600	600
Defined contribution plans	191,640	129,030	-	-
Social security contributions	2,185	2,080	-	-
Other benefits	12,250	238	-	-
	1,801,675	1,207,198	600	600
<b>Executive Directors</b>				
<b>Subsidiaries' Directors</b>				
Salaries and other emoluments	358,321	244,309	-	-
Defined contribution plans	43,868	34,506	-	-
Social security contributions	1,092	1,040	-	-
Other benefits	43,325	43,319	-	-
	446,606	323,174	-	-
<b>Total</b>	2,248,281	1,530,372	600	600

The Directors' remuneration of the Group do not include the estimated non-monetary value of benefit-in-kind amounting to RM15,000 (2023: RM15,000).

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**29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

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

	Note	At 1 January RM	Financing cash flows (i) RM	New lease [Note 5(b)] RM	Other changes (ii) RM	At 31 December RM
<b>Group</b>						
<b>2024</b>						
Lease liabilities	18	1,642,966	(906,491)	2,531,916	(301,261)	2,967,130
<b>2023</b>						
Lease liabilities	18	945,344	(782,672)	1,461,743	18,551	1,642,966
<b>Company</b>						
<b>2024</b>						
Amount due to a subsidiary	14	3,200,000	(1,334,422)	-	-	1,865,578
Lease liabilities	18	-	(304,345)	1,429,886	-	1,125,541
		3,200,000	(1,638,767)	1,429,886	-	2,991,119
<b>2023</b>						
Amount due to a subsidiary	14	4,200,000	(1,000,000)	-	-	3,200,000

(i) The financing cash flows represents payment of lease liabilities and repayment to a subsidiary in the statements of cash flows.

(ii) Other changes represent lease modification, termination of lease contracts and exchange differences.

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### 30. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

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 comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

(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 elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Company</b>		
<b>Transaction with an associate:</b>		
- Dividend income	-	200,000

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Fees	114,000	114,000	114,000	114,000
Salaries and others emoluments	3,463,045	2,256,045	6,000	6,000
Defined contribution plans	348,019	279,117	-	-
Social security contributions	13,518	7,279	-	-
Others	365,875	73,432	-	-
	4,304,457	2,729,873	120,000	120,000

The remuneration of Directors and other members of key management of the Group do not include the estimated non-monetary value of benefit-in-kind amounting to RM15,000 (2023: RM15,000).

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**31. SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their products and service as follows:

Digital security solutions	Provision of digital security solutions
Electronic identification products	Sales of smart cards, smart card readers, finger print readers, barcode scanners and barcode printers
Maintenance services	Provision of maintenance services
Others	Provision of other solutions, applications, products, labelling and packaging

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

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**31. SEGMENT INFORMATION (CONT'D)**

	Digital security solutions RM	Electronic identification products RM	Maintenance services RM	Others RM	Total RM
<b>2024</b>					
Total revenue	34,868,910	1,066,536	20,740,182	22,735,660	79,411,288
Inter-segment revenue	(7,364,236)	(22,350)	(3,353,762)	(4,662,488)	(15,402,836)
Revenue from external customers	27,504,674	1,044,186	17,386,420	18,073,172	64,008,452
Cost of sales	(12,272,723)	(497,835)	(7,152,621)	(12,883,895)	(32,807,074)
Segment gross profit	15,231,951	546,351	10,233,799	5,189,277	31,201,378
<b>Financial results</b>					
Segment results					8,596,540
Interest income					376,916
Depreciation of:					
- property, plant and equipment					(584,473)
- right-of-use assets					(1,101,731)
Finance costs					(108,732)
Share of results of an associate, net of tax					226,106
Profit before tax					7,404,626
Taxation					(2,337,242)
Profit for the financial year					5,067,384
<b>2023</b>					
Total revenue	29,649,811	3,206,589	13,997,060	1,310,978	48,164,438
Inter-segment revenue	(4,706,800)	(6,089)	(1,972,242)	(31,576)	(6,716,707)
Revenue from external customers	24,943,011	3,200,500	12,024,818	1,279,402	41,447,731
Cost of sales	(10,373,344)	(1,302,822)	(4,573,279)	(1,079,050)	(17,328,495)
Segment gross profit	14,569,667	1,897,678	7,451,539	200,352	24,119,236
<b>Financial results</b>					
Segment results					2,104,192
Interest income					239,107
Depreciation of:					
- property, plant and equipment					(512,058)
- right-of-use assets					(844,860)
Finance cost					(296,436)
Share of results of an associate, net of tax					(478,062)
Loss before tax					211,883
Taxation					(1,184,207)
Loss for the financial year					(972,324)

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**31. SEGMENT INFORMATION (CONT'D)**

- (a) Other non-cash items consist of following as presented in the respective notes to the financial statements:

	2024 RM	2023 RM
<b>Other non-cash items</b>		
Allowance for slow moving inventories	64,205	–
Deposits written off	510,924	–
Impairment losses on:		
- investment in an associate	1,320,000	1,700,000
- other investments	–	4,000,000
- trade receivables	121,423	39,496
Inventories written off	12,218	15,603
Gain on disposal of:		
- investment in an associate	–	(962,670)
- property, plant and equipment	(122)	(39,814)
- right-of-use assets	–	(76,420)
Property, plant and equipment written off	182,345	1,426
Reversal of impairment losses on trade receivables	(23,930)	(34,437)
Reversal of allowance for slow moving inventories	(863)	(2,720)
Unrealised (gain)/loss on foreign exchange	(11,255)	28,139
	2,174,945	4,668,603

- (b) Adjustments and eliminations

Interest income, finance costs, depreciation and other non-cash items are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes and deferred taxes are not allocated to individual segments as the underlying instruments are managed on a group basis.

Inter-segment revenue is eliminated on consolidation.

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31. SEGMENT INFORMATION (CONT'D)

(c) Geographic information

Revenue, non-current assets and capital expenditure information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets		Capital expenditure	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	16,924,186	10,478,159	3,309,743	2,024,032	2,799,794	1,718,113
Vietnam	8,332,542	7,152,762	211,223	152,152	199,233	98,897
Philippines	21,087,819	7,702,124	811,570	280,147	824,838	103,769
Indonesia	8,928,692	6,789,104	698,277	786,289	125,287	746,798
United States	356,916	134,459	-	-	-	-
Singapore	5,383,540	5,782,475	3,303	11,355	-	1,806
Others	2,994,757	3,408,648	-	-	-	-
	64,008,452	41,447,731	5,034,116	3,253,975	3,949,152	2,669,383

Non-current assets for this purpose consist of property, plant and equipment and right-of-use assets.

Capital expenditure consists of additions of property, plant and equipment and right-of-use assets.

(d) Major customers

No customer revenue equal or more than 10% of the Group's revenue.

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### 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 the financial instruments are measured and how income and expense, including fair value gains or losses, are recognised.

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:

	Financial assets at FVTOCI RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Group 2024</b>				
<b>Financial Assets</b>				
Other investments	6,095,250	–	–	6,095,250
Trade receivables	–	13,324,900	–	13,324,900
Other receivables *	–	2,611,474	–	2,611,474
Fixed deposits with licensed banks	–	10,138,150	–	10,138,150
Cash and bank balances	–	14,957,067	–	14,957,067
	6,095,250	41,031,591	–	47,126,841
<b>Financial Liabilities</b>				
Trade payables	–	–	2,249,614	2,249,614
Other payables ^	–	–	3,748,852	3,748,852
Lease liabilities	–	–	2,967,130	2,967,130
	–	–	8,965,596	8,965,596
<b>Group 2023</b>				
<b>Financial Assets</b>				
Other investments	6,095,250	–	–	6,095,250
Trade receivables	–	8,008,881	–	8,008,881
Other receivables *	–	1,056,659	–	1,056,659
Fixed deposits with licensed banks	–	5,549,135	–	5,549,135
Cash and bank balances	–	17,280,107	–	17,280,107
	6,095,250	31,894,782	–	37,990,032
<b>Financial Liabilities</b>				
Trade payables	–	–	3,361,046	3,361,046
Other payables ^	–	–	4,301,626	4,301,626
Lease liabilities	–	–	1,642,966	1,642,966
	–	–	9,305,638	9,305,638

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### 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)

	Financial assets at FVTOCI RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Company</b>				
<b>2024</b>				
<b>Financial Assets</b>				
Other investments	6,095,250	–	–	6,095,250
Other receivables *	–	716,810	–	716,810
Amount due from subsidiary companies	–	1,017,652	–	1,017,652
Cash and bank balances	–	140,714	–	140,714
	<b>6,095,250</b>	<b>1,875,176</b>	<b>–</b>	<b>7,970,426</b>
<b>Financial Liabilities</b>				
Other payables	–	–	163,841	163,841
Amount due to a subsidiary	–	–	1,865,578	1,865,578
Lease liability	–	–	1,125,541	1,125,541
	<b>–</b>	<b>–</b>	<b>3,154,960</b>	<b>3,154,960</b>
<b>2023</b>				
<b>Financial Assets</b>				
Other investments	6,095,250	–	–	6,095,250
Other receivables *	–	514,200	–	514,200
Amount due from subsidiary companies	–	7,273,002	–	7,273,002
Cash and bank balances	–	1,659,654	–	1,659,654
	<b>6,095,250</b>	<b>9,446,856</b>	<b>–</b>	<b>15,542,106</b>
<b>Financial Liabilities</b>				
Other payables	–	–	94,500	94,500
Amount due to a subsidiary	–	–	3,200,000	3,200,000
	<b>–</b>	<b>–</b>	<b>3,294,500</b>	<b>3,294,500</b>

\* exclude prepayments, deferred costs and Goods and Services Tax receivable

^ exclude Goods and Services Tax payable

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### 32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group'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 trade and other receivables and deposits with banks. The Company's exposure to credit risk arises principally from deposits with banks and amount due from a subsidiary. There are no significant changes as compared to prior year.

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 deposits with 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.

The Company provides unsecured advances to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary.

At each reporting date, the Group assesses whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade 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 reporting period represent the Group's and the Company's maximum exposure to credit risk.

The Group has no significant concentration of credit risks except as disclosed in Note 10. The Company has no significant concentration of credit risks except for amount due from a subsidiary where the risk of default is assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

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### 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.

Group	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>2024</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	2,249,614	-	-	2,249,614	2,249,614
Other payables <sup>^</sup>	3,748,852	-	-	3,748,852	3,748,852
Lease liabilities	1,006,293	972,875	1,191,461	3,170,629	2,967,130
Financial guarantees #	37,144	-	-	37,144	-
	7,041,903	972,875	1,191,461	9,206,239	8,965,596
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	3,361,046	-	-	3,361,046	3,361,046
Other payables <sup>^</sup>	4,301,626	-	-	4,301,626	4,301,626
Lease liabilities	727,043	345,859	702,697	1,775,599	1,642,966
Financial guarantees #	23,715	-	-	23,715	-
	8,413,430	345,859	702,697	9,461,986	9,305,638

# Based on the maximum amount that can be called for under the financial guarantee contract.

<sup>^</sup> exclude Goods and Services Tax payable

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**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)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>Company</b>					
<b>2024</b>					
<b>Non-derivative financial liabilities</b>					
Other payables	163,841	–	–	163,841	163,841
Amount due to a subsidiary	1,865,578	–	–	1,865,578	1,865,578
Lease liability	504,000	504,000	168,000	1,176,000	1,125,541
	2,533,419	504,000	168,000	3,205,419	3,154,960
<hr/>					
	On demand or within 1 year RM	1 to 2 years RM		Total contractual cash flows RM	Total carrying amount RM
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Other payables	94,500	–		94,500	94,500
Amount due to a subsidiary	3,200,000	–		3,200,000	3,200,000
	3,294,500	–		3,294,500	3,294,500

(iii) Market risks

(1) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar (USD), and Euro (EUR).

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

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### 32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(1) Foreign currency risk (Cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	USD RM	EUR RM	Total RM
<b>Group</b>			
<b>2024</b>			
Trade receivables	580,837	118,320	699,157
Cash and bank balances	1,059,550	27,123	1,086,673
Trade payables	(1,258,142)	(611,823)	(1,869,965)
	382,245	(466,380)	(84,135)
<b>2023</b>			
Trade receivables	1,715,381	227,523	1,942,904
Cash and bank balances	1,418,154	41,536	1,459,690
Trade payables	(2,045,767)	(921,378)	(2,967,145)
	1,087,768	(652,319)	435,449
		<b>Denominated in USD</b>	
		<b>2024</b>	<b>2023</b>
		<b>RM</b>	<b>RM</b>
<b>Company</b>			
Cash and bank balances		223	414

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**32. FINANCIAL INSTRUMENTS (CONT'D)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(1) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and the Company's profit/(loss) before tax to a reasonably possible change in the USD and EUR exchange rates against RM, with all other variables held constant.

	Change in currency rate	2024 Effect on profit/(loss) before tax RM	Change in currency rate	2023 Effect on loss before tax RM
<b>Group</b>				
USD	Strengthened 10%	38,225	Strengthened 10%	108,777
	Weakened 10%	(38,225)	Weakened 10%	(108,777)
<hr/>				
EUR	Strengthened 10%	(46,638)	Strengthened 10%	(65,232)
	Weakened 10%	46,638	Weakened 10%	65,232
<hr/>				
<b>Company</b>				
USD	Strengthened 10%	22	Strengthened 10%	41
	Weakened 10%	(22)	Weakened 10%	(41)

(2) Interest rate risk

The Group's investment in 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 variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks 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 manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024  
(CONT'D)

### 32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(2) Interest rate risk (Cont'd)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	2024 RM	2023 RM
<b>Group</b>		
<b>Fixed rate instruments</b>		
Fixed deposits with licensed banks	10,138,150	5,549,135
Lease liabilities	(2,967,130)	(1,642,966)
	7,171,020	3,906,169

### 33. CAPITAL MANAGEMENT

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

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio, which is the net debt divided by total equity. The Group and the Company include within net debt, lease liabilities less cash and cash equivalents. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Lease liabilities	2,967,130	1,642,966	1,125,541	-
Less: Cash and cash equivalents	(24,643,411)	(22,389,783)	(140,714)	(1,659,654)
Net (cash)/debt	(21,676,281)	(20,746,817)	984,827	(1,659,654)
Total equity	44,459,561	41,170,965	27,243,588	34,290,225
Gross gearing ratio (times)	0.07	0.04	0.04	#
Net gearing ratio (times)	*	*	*	#

NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024  
(CONT'D)

**33. CAPITAL MANAGEMENT (CONT'D)**

- \* Net gearing ratio is not applicable for the Group as the cash and cash equivalents as at 31 December 2024 and 31 December 2023 is sufficient to cover the entire borrowing obligation.
- # Gearing ratio is not applicable to the Company as the Company has no loans and borrowings as at 31 December 2023.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

**34. FINANCIAL GUARANTEES**

	2024 RM	Group 2023 RM
<b>Secured</b>		
Bank guarantees provided to customers to secure performance under contracts	37,144	23,715

**35. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution Directors on 25 April 2025.

**ANALYSIS OF SHAREHOLDINGS**

AS AT 2 APRIL 2025

**SHARE CAPITAL**

Total Number of Issued Shares	:	577,066,000 Shares
Issued Share Capital	:	RM 41,399,638.00
Class of Shares	:	Ordinary Shares
Voting Rights	:	Every member of the Company, present in person or by proxy, shall have on a show of hands, one (1) vote or on a poll, one (1) vote for each share held

**DISTRIBUTION OF SHAREHOLDINGS**

Size of Shareholdings	No. of Holders	%	No. of Shares	%
1 to 99	3	0.13	120	negligible
100-1,000	253	11.13	123,480	0.02
1,001 to 10,000	699	30.75	4,554,800	0.79
10,001 to 100,000	967	42.54	41,057,800	7.12
100,001 to less than 5% of issued shares	347	15.27	325,819,236	56.46
5% and above of issued shares	4	0.18	205,510,564	35.61
<b>Total</b>	<b>2,273</b>	<b>100.00</b>	<b>577,066,000</b>	<b>100.00</b>

**DIRECTORS' SHAREHOLDINGS**

Name of Directors	← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%
Clifton Heath Fernandez	–	–	–	–
Law Seeh Key	170,675,210	29.58	–	–
Yong Kim Fui	11,386,200	1.97	–	–
Shireen Chia Yin Ting	–	–	–	–
Dato' Ng Wan Peng	–	–	–	–

**SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Name of Shareholders	← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%
Law Seeh Key	170,675,210	29.58	–	–
Phillip Securities (Hong Kong) Ltd (Clients' Account)	40,000,000	6.93	–	–

ANALYSIS OF SHAREHOLDINGS  
AS AT 2 APRIL 2025  
(CONT'D)

**THIRTY (30) LARGEST SHAREHOLDERS AS AT 2 APRIL 2025**

No.	Name of Shareholders	No. of Shares	%
1	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW SEEH KEY	89,510,564	15.51
2	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW SEEH KEY	45,000,000	7.80
3	AFFIN HWANG NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR PHILLIP SECURITIES (HONG KONG) LTD (CLIENTS' ACCOUNT)	40,000,000	6.93
4	LAW SEEH KEY	31,000,000	5.37
5	LI JIANJUN	24,024,000	4.16
6	NIOO YU SIONG	23,175,790	4.02
7	LOW LAY PING	20,307,600	3.52
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE	18,865,600	3.27
9	SHUM THIN SOON	10,000,000	1.73
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR KOH THUAN TECK (PW-M00971) (422076)	8,000,000	1.39
11	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SHAVE HUAT (MARGIN)	7,675,000	1.33
12	ABDUL HAZIQ BIN MOHAMAD AZMADI	6,921,900	1.20
13	YONG KIM FUI	6,886,200	1.19
14	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TOH ENG KEAT (MY4687)	6,157,500	1.07
15	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH SWEE HENG (MM1118)	5,699,800	0.99
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW SEEH KEY	5,164,646	0.90
17	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH LIAN SIM	5,125,800	0.89
18	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)	5,100,000	0.88
19	KOAY CHOON CHIN	4,600,000	0.80
20	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG KIM FUI	4,500,000	0.78
21	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANDREW LEONG (MY3516)	4,100,000	0.71

ANALYSIS OF SHAREHOLDINGS  
AS AT 2 APRIL 2025  
(CONT'D)

**THIRTY (30) LARGEST SHAREHOLDERS AS AT 2 APRIL 2025 (CONT'D)**

No.	Name of Shareholders	No. of Shares	%
22	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG SOON KONG	3,000,000	0.52
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	2,924,000	0.51
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOE AIK KEONG (6000972)	2,900,000	0.50
25	KHOW CHEAH YONG	2,800,000	0.48
26	KWAN LI WEI	2,605,000	0.45
27	LEO LEE CHENG	2,600,000	0.45
28	LAM HAI SHIUN	2,581,000	0.45
29	CHAN JEE CHET	2,500,000	0.43
30	YAP KIAN PENG	2,100,000	0.36
	<b>Total</b>	<b>395,824,400</b>	<b>68.59</b>

## NOTICE OF EIGHTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Eighth Annual General Meeting (“8<sup>th</sup> AGM”) of the Company will be held at Auditorium @ Resource Centre (MRANTI) , Taman Teknologi Mranti, Lebuhraya Puchong - Sg. Besi, 57000 Bukit Jalil, Kuala Lumpur on Thursday, 29 May 2025 at 2.30 p.m., for the following purposes:

### AGENDA

#### ORDINARY BUSINESS

- |    |   |   |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors’ and Audit Reports thereon.       | <b>Please refer to<br/>Explanatory Note 1</b> |
| 2. | To approve the following payments:  |   |
|    | (a) Directors’ fees to the Non-Executive Directors of up to RM180,000.00 from Eighth Annual General Meeting until the next Annual General Meeting.      | <b>Ordinary Resolution 1</b>                  |
|    | (b) Directors’ allowances to the Non-Executive Directors of up to RM12,000.00 from Eighth Annual General Meeting until the next Annual General Meeting. | <b>Ordinary Resolution 2</b>                  |
| 3. | To re-elect the following Directors who are retiring in accordance with Clause 97 of the Company’s Constitution:  |   |
|    | (a) Mr. Yong Kim Fui  | <b>Ordinary Resolution 3</b>                  |
|    | (b) Mr. Law Seeh Key  | <b>Ordinary Resolution 4</b>                  |
| 4. | To re-appoint Messrs. UHY Malaysia PLT as the Company’s Auditors for the ensuing year and to authorise the Directors to fix their remuneration.         | <b>Ordinary Resolution 5</b>                  |

#### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution:

- |    |   |                              |
|----|---|------------------------------|
| 5. | <b>AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</b> | <b>Ordinary Resolution 6</b> |
|----|---|------------------------------|

“**THAT** subject always to the Companies Act 2016 (“Act”), Constitution of the Company, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Securities **AND FURTHER THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

**Please refer to  
Explanatory Note 2**

NOTICE OF EIGHTH ANNUAL GENERAL MEETING  
(CONT'D)

6. To transact any other business of the Company of which due notice shall be given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board  
**SECUREMETRIC BERHAD**

**TAN KOK AUN (MACS 01564)**  
Company Secretary

Kuala Lumpur

Dated this 29<sup>th</sup> day of April, 2025

**NOTES:**

1. A member of the Company entitled to be present and vote at the meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person appointed by the Registrar of Companies.
2. A member shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its attorney.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), as defined under the Securities Industry (Central Depositories) Act, 1991 there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. A proxy appointed to attend and vote in a meeting of the Company shall have the same rights as the member to speak at the meeting.
7. The duly completed Form of Proxy must be deposited at the registered office of the Company at No. 3A, Mezzanine Floor, Jalan Ipoh Kecil, 50350 Kuala Lumpur Wilayah Persekutuan, Malaysia not less than twenty-four (24) hours before the time for holding the meeting or any adjournment thereof.
8. **General Meeting Record of Depositors**

In respect of deposited securities, only members whose names appear on the Record of Depositors on 23 May 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

## NOTICE OF EIGHTH ANNUAL GENERAL MEETING (CONT'D)

### EXPLANATORY NOTES ON SPECIAL BUSINESS

#### 1. Item 1 of the Agenda - Audited Financial Statement for the Financial Year Ended 31 December 2024

The Audited Financial Statements are for discussion only as the approval of the shareholders is not required pursuant to the provisions of Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by the shareholders of the Company.

#### 2. Ordinary Resolution 6 - Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 6 under item 5 above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, with the authority to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

The general mandate sought for issue of shares is a renewal of the mandate approved by the shareholders at the last AGM held on 30 May 2024 which will lapse at the conclusion of this 8th AGM.

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the last AGM held on 30 May 2024. The general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring cost and time. The purpose of this general mandate is for fund raising exercises including but not limited to further placement of shares for the purpose of funding current and/or future investment projects, working capital and/or acquisition(s).

### STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The Directors who are seeking re-election as Director or continuing in office as Independent Non-Executive Director at the 8th AGM of the Company are: -

- (a) Mr. Yong Kim Fui (Clause 97 of the Company's Constitution)
- (b) Mr. Law Seeh Key (Clause 97 of the Company's Constitution)

Mr. Yong Kim Fui and Mr. Law Seeh Key have no conflict of interest or potential conflict of interest including any interest in any competitor business with the Company or its subsidiaries.

The Board of Directors, taking into the recommendation of Nomination Committee, supported the above-mentioned Directors of their re-election as Director at the 8th AGM of the Company.

Based on the assessment and evaluation conducted by the Nomination Committee, the retiring Directors met the performance criteria required of an effective and a high-performance Board. In addition, all the Independent Non-Executive Directors have also provided annual declaration/confirmation of independence respectively.

The profiles of the above Directors who are seeking re-election are set out in the Profile of Directors as disclosed on Pages 19 and 20 of the Annual Report.

The details of the above Directors' interest in the securities of the Company are stated on Page 147 of the Annual Report.

**SECUREMETRIC BERHAD**

Registration No. 201701019864 (1234029-D)  
(Incorporated in Malaysia)

I/We .....  
(FULL NAME IN BLOCK LETTERS)

of .....  
(FULL ADDRESS)

being a member/members of **SECUREMETRIC BERHAD**, hereby appoint the following person(s) or failing him, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf, at the Eighth Annual General Meeting of the Company to be held at Auditorium @ Resource Centre (MRANTI), Taman Teknologi Mranti, Lebuhraya Puchong - Sg. Besi, 57000 Bukit Jalil, Kuala Lumpur on Thursday, 29 May 2025 at 2.30 p.m. and any adjournment thereof:

<u>Name of Proxy, NRIC No. &amp; Address</u>	<u>No. of Shares to be represented by Proxy</u>
1. Name: NRIC No.: Mobile number: Email address: Address:	_____
2. Name: NRIC No.: Mobile number: Email address: Address:	_____

NO.	RESOLUTIONS	FOR	AGAINST
1.	Approval of the following payments : (a) Directors' fees to the Non-Executive Directors of up to RM180,000.00 from Eighth Annual General Meeting until the next Annual General Meeting (b) Directors' allowances to the Non-Executive Directors of up to RM12,000.00 from Eighth Annual General Meeting until the next Annual General Meeting	<i>Ordinary Resolution 1</i>	
2.	Re-election of Mr. Yong Kim Fui	<i>Ordinary Resolution 3</i>	
3.	Re-election of Mr. Law Seeh Key	<i>Ordinary Resolution 4</i>	
4.	Re-appointment of Messrs. UHY Malaysia PLT as Auditors	<i>Ordinary Resolution 5</i>	
5.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016	<i>Ordinary Resolution 6</i>	

Please indicate with an "X" in the appropriate boxes on how you wish your vote to be cast on the Resolutions specified in the Notice of Meeting. Unless voting instructions are indicated in the space above, the proxy will vote as he/she thinks fit.

Number of shares	_____
CDS A/C No.	_____
Mobile No.	_____
Email address	_____

.....  
Date

.....  
Signature of Shareholder



NOTES:

1. A member of the Company entitled to be present and vote at the meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person appointed by the Registrar of Companies.
2. A member shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its attorney.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), as defined under the Securities Industry (Central Depositories) Act, 1991 there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. A proxy appointed to attend and vote in a meeting of the Company shall have the same rights as the member to speak at the meeting.
7. The duly completed Form of Proxy must be deposited at the registered office of the Company at No. 3A, Mezzanine Floor, Jalan Ipoh Kecil, 50350 Kuala Lumpur Wilayah Persekutuan, Malaysia not less than twenty-four (24) hours before the time for holding the meeting or any adjournment thereof.
8. **General Meeting Record of Depositors**  
*In respect of deposited securities, only members whose names appear on the Record of Depositors on 23 May 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

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AFFIX  
STAMP

The Company Secretary

**SECUREMETRIC BERHAD**  
**Registration No. 201701019864 (1234029-D)**

c/o  
PCA CORPORATE ADVISORY PLT  
No. 3A, Mezzanine Floor  
Jalan Ipoh Kecil  
50350 Kuala Lumpur  
Wilayah Persekutuan, Malaysia

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**SECURE  
METRIC**  
— BERHAD —

**Securemetric Berhad**

201701019864 (1234029-D)

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