

TECHSTORE

DELIVERING YOUR VISION



Annual Report 2024

M & A Securities Sdn Bhd ("M&A Securities"), being the Sponsor, was responsible for the admission of TechStore Berhad to the ACE Market of Bursa Malaysia Securities Berhad on 18 February 2025. M&A Securities assumes no responsibility for the contents of this annual report 2024.

TECHSTORE

LISTING CEREMONY

18 February 2025

ACE Market of Bursa Malaysia Securities Berhad



LAUNCH OF PROSPECTUS

22 January 2025

ACE Market of Bursa Malaysia Securities Berhad



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ABOUT US

TECHSTORE BERHAD ("TECHSTORE" OR THE "COMPANY"), THROUGH ITS SUBSIDIARIES ("TECHSTORE GROUP" OR THE "GROUP"), IS PRIMARILY INVOLVED IN THE PROVISION OF ENTERPRISE INFORMATION TECHNOLOGY ("IT") SERVICES, PRIMARILY INVOLVING THE IT SECURITY AND AUTOMATION SOLUTIONS TO SUPPORT ITS CUSTOMERS' OPERATIONS. TECHSTORE WAS LISTED ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD

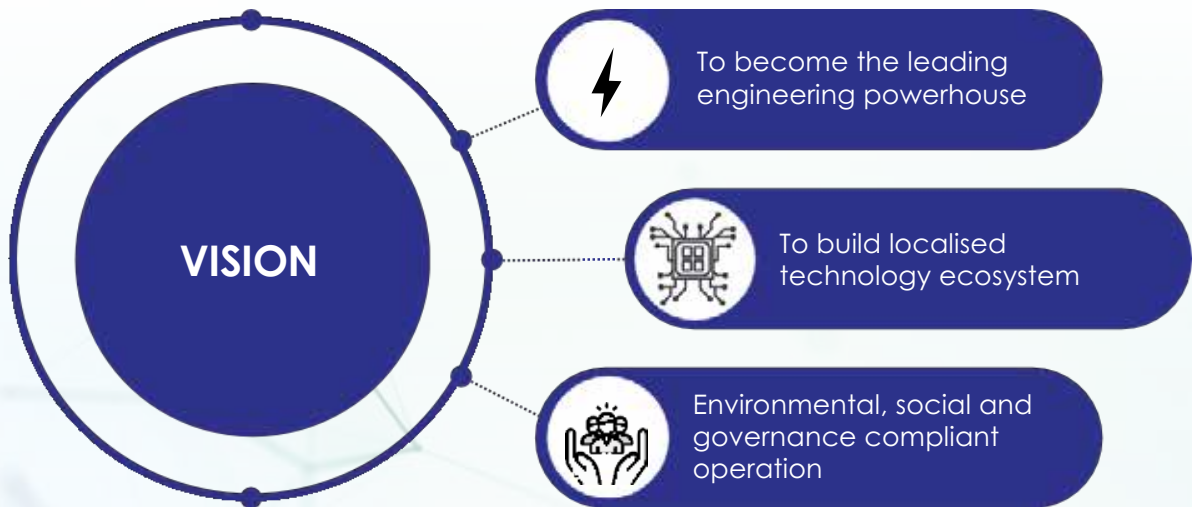


Since its incorporation in 2011, the Group has been involved in the IT services industry, spanning multiple sectors. Its solutions have been applied across a wide range of operations, including factories, theme parks, government buildings, and more recently, public infrastructure. By integrating several key operational functions from command and control, surveillance, security, access, and communication, the Group's solutions help optimise the operations of its customers by, amongst others, improving security, increasing efficiency, and empowering employees to better deliver necessary actions in a timely manner, thereby increasing value to their businesses. Notably, the Group's solutions facilitate the transformation and/or migration of customers' existing analogue systems to digital, without the need for a complete overhaul of their systems.

Furthermore, since its incorporation, the Group has grown from providing subcontracting services to becoming a turnkey contractor. By engaging the Group to provide comprehensive services ranging from project initiation to post-implementation, customers can streamline their operations, making them more efficient and cost-effective.

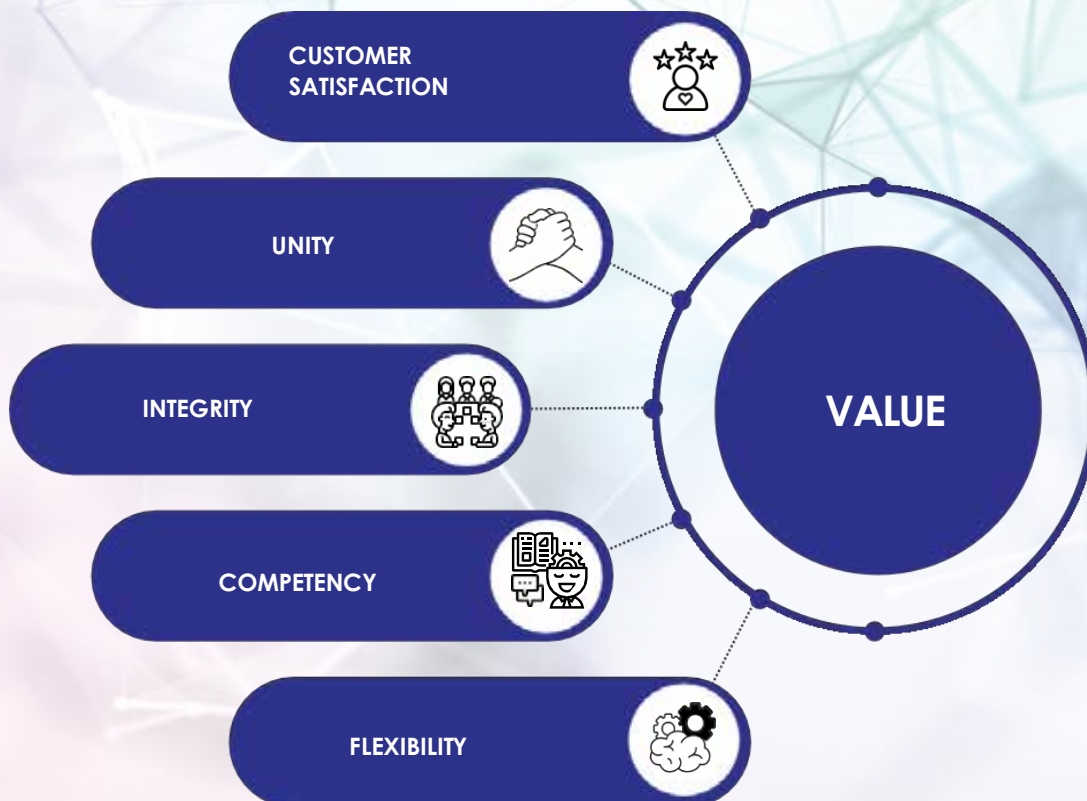


VISION, MISSION AND VALUES



MISSION

DELIVERING YOUR VISION



CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' AB RAHIM BIN ABU BAKAR
Independent Non- Executive Chairman

TAN HOCK LIM
Managing Director

MOHD FADZIL BIN MOHD DAUD
Executive Director

DATIN SHAFINAZ BINTI ABDUL RANI
Independent Non- Executive Director

YAP CHOO CHENG
Independent Non- Executive Director

LIM SU MAY
Independent Non- Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

YAP CHOO CHENG
CHAIRPERSON

DATIN SHAFINAZ BINTI ABDUL RANI
MEMBER

LIM SU MAY
MEMBER

REMUNERATION COMMITTEE

DATIN SHAFINAZ BINTI ABDUL RANI
CHAIRPERSON

YAP CHOO CHENG
MEMBER

LIM SU MAY
MEMBER

NOMINATION COMMITTEE

LIM SU MAY
CHAIRPERSON

DATIN SHAFINAZ BINTI ABDUL RANI
MEMBER

YAP CHOO CHENG
MEMBER

COMPANY SECRETARIES

TAN TONG LANG
(MAICSA 7045482)
SSM PRACTISING CERTIFICATE NO. 202208000250

THIEN LEE MEE
(LS 0010621)
SSM PRACTISING CERTIFICATE NO. 201908002254

REGISTERED ADDRESS

B- 21 - 1, LEVEL 21, TOWER B,
NORTHPOINT MID VALLEY CITY,
1 MEDAN SYED PUTRA UTARA,
59200 KUALA LUMPUR
T: + 603 - 9770 2200
F: + 603 - 2201 7774
EMAIL: BOARDROOM@BOARDROOM.COM.MY

HEAD OFFICE

20 - 2, JALAN SURIA PUCHONG 6,
PUSAT PERNIAGAAN SURIA PUCHONG,
47110 PUCHONG SELANGOR
T: + 603 - 8940 6688
F: + 603 - 8940 6699
WEBSITE: WWW.TECHSTORE.COM.MY
EMAIL: INFO@TECH-STORE.COM.MY

AUDITORS

CROWE MALAYSIA PLT
201906000005 (LLP 0018817- LCA & AF 1018)
LEVEL 16, TOWER C, MEGAN AVENUE II,
12, JALAN YAP KWAN SENG,
50450 KUALA LUMPUR
T: + 603 - 2788 9999

SPONSOR

M & A SECURITIES SDN BHD (197301001503(15017-H))
45 & 47 LEVELS 3 AND 7,
THE BOULEVARD, MID VALLEY CITY,
LINGKARAN SYED PUTRA,
59200 KUALA LUMPUR
T: + 603 - 2284 2911
F: + 603 - 2284 2718

SHARE REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
197101000970 (11324-H)
UNIT 32 - 01 LEVEL 32 TOWER A,
VERTICAL BUSINESS SUITE AVENUE 3,
BANGSAR SOUTH, 8 JALAN KERINCHI,
59200 KUALA LUMPUR
T: + 603 - 2783 9299
F: + 603 - 2783 9222

STOCK EXCHANGE LISTING

ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD
STOCK NAME: **TECHSTORE**
STOCK CODE: **0343**

CORPORATE STRUCTURE

TECHSTORE

TECHSTORE BERHAD
(202401003419 (1549269-M))
(Incorporated in Malaysia)



PROFILE OF DIRECTORS

DATO' AB RAHIM BIN ABU BAKAR INDEPENDENT NON-EXECUTIVE CHAIRMAN		
Nationality	:	Malaysian
Age	:	74
Gender	:	Male
Date of appointment	:	10 May 2024
Number of board meeting attended in the financial year	:	One (1)



Dato' Ab Rahim bin Abu Bakar holds a Bachelor of Engineering from NED University of Engineering & Technology, Pakistan.

He began his career in 1984 with EPE Power Corporation Berhad, where he was responsible for marketing and selling company products. He was promoted to Marketing Manager in 1990 and later to General Manager, Marketing and Project Division in 1993. In these roles, he was responsible for developing marketing strategies and overseeing project execution.

In 2003, he joined Schneider Electric (M) Sdn Bhd as General Manager where he was responsible for commercial sales, including marketing and selling the company's products to industrial customers, before moving to Arab Malaysian SGB Sdn Bhd (now known as SGB My Sdn Bhd) from 2006 to 2008, where he undertook similar role as in Schneider Electric (M) Sdn Bhd. He left the company in 2008 and began working as a freelance advisor providing advice to his clients in relation to the power industry.

From 2010 to 2019, he served as Chief Executive Officer of Nouva ASP (M) Sdn Bhd (now known as Omnipro Engineering Sdn Bhd), leading the company's marketing and business development activities, primarily in the oil and gas industry. He later joined ZTE (Malaysia) Corporation Sdn Bhd as a Consultant from 2019 to 2021, providing advisory services to clients in the telecommunications sector before retiring.

He also served as an Independent Non-Executive Director of KUB Malaysia Berhad from 2013 to 2020.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

PROFILE OF DIRECTORS

TAN HOCK LIM
MANAGING DIRECTOR

Nationality	:	Malaysian
Age	:	51
Gender	:	Male
Date of appointment	:	23 January 2024
Number of board meeting attended in the financial year	:	One (1)



Mr. Tan Hock Lim is responsible for overseeing the day-to-day operations and strategic direction of the Group through setting goals, developing plans, and ensuring the Group's activities align with the overall vision and objectives of the Group.

He holds a Technician Diploma in Electrical / Electronic Engineering from Pertama Institute of Technology.

He began his career in 1995 as a Service Technician with Amtel Communications Sdn Bhd, where he was responsible for repair services, after-sales support, and managing logistics and stock records. In the same year, he was promoted to Assistant Manager. In 1998, he joined Cellstar Amtel Sdn Bhd as Assistant Manager, where he was in charge of liaising with principal and understanding direction and execution, and standardisation in engineering scope. He was also responsible for overseeing the operation and coordination of internal staff management.

Between 1999 and 2000, he co-founded and held directorships in several companies involved in cell phone servicing, service and maintenance for television satellite system, and telecommunications consulting. In 2001, he was appointed as a director of Wings Care Sdn Bhd, and later in 2002, he also joined Juice Asia Marketing Sdn Bhd as a Director, overseeing strategic direction and business operations. He remained in these roles until 2020, when he resigned as director in Wings Care Sdn Bhd, and Juice Asia Marketing Sdn Bhd was also dissolved in the same year.

In 2011, he incorporated Secure Depot Sdn Bhd (now known as Tech-Store Malaysia Sdn Bhd ("TSM")) together with Petr Obsel, Abdul Razak Lew bin Abdullah, and Chew Yee Sang. He was appointed as a Director and Chief Executive Officer, leading the company's business development and operational strategies. In 2012, he incorporated SeeTec Asia Sdn Bhd ("SeeTec Asia") together with Petr Obsel and was appointed as a director of the company, where he was responsible for setting strategic goals, decision-making and overseeing the overall direction of the company. He resigned as a Director of SeeTec Asia and exited as shareholder of SeeTec Asia in 2020 to focus on the expansion of TSM. He was appointed as a director of SeeTec Asia in January 2024, a position which he currently holds.

In January 2024, he was redesignated as Managing Director, where he continues to drive the Group's strategic direction and ensure that its operations align with its overall vision and objectives.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

PROFILE OF DIRECTORS

MOHD FADZIL BIN MOHD DAUD EXECUTIVE DIRECTOR

Nationality	:	Malaysian
Age	:	40
Gender	:	Male
Date of appointment	:	10 May 2024
Number of board meeting attended in the financial year	:	One (1)



En. Mohd Fadzil bin Mohd Daud is primarily responsible for overseeing the operational aspects of projects to ensure their successful delivery while aligning with the company's strategic objectives and maintaining client satisfaction.

He holds a Bachelor of Electrical and Electronics Engineering (Honours) from Universiti Tenaga Nasional. He is a certified Graduate Engineer with the Board of Engineers Malaysia since 2011 and a Professional Technologist (Electrical & Electronics Technology) with the Malaysia Board of Technologists since 2021.

He began his career in 2011 as an Engineer with CMC Engineering Sdn Bhd, where he was involved in the design, installation, testing, and commissioning of communication systems. In 2014, he joined Arena Hakikat Sdn Bhd as Project Delivery Manager, overseeing the project management until 2017. He then served as Project Manager cum Head of Operations at ZHRB Adaptiv Sdn Bhd from 2017 to 2020, overseeing the operations of the company and managing projects.

In August 2020, he joined TSM as Project Manager where he was in charge of project management. Subsequently, he was appointed as Managing Director in March 2021, where he was responsible for the company's financial and operational management. In January 2024, he was re-designated as Executive Director of TSM and was also appointed as a Director of SeeTec Asia, positions he currently holds.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

PROFILE OF DIRECTORS

DATIN SHAFINAZ BINTI ABDUL RANI

INDEPENDENT NON- EXECUTIVE DIRECTOR
CHAIRPERSON OF REMUNERATION COMMITTEE
MEMBER OF NOMINATION COMMITTEE
MEMBER OF AUDIT AND RISK MANAGEMENT COMMITTEE

Nationality	:	Malaysian
Age	:	51
Gender	:	Female
Date of Appointment	:	10 May 2024
Number of board meeting attended in the financial year	:	One (1)



Datin Shafinaz binti Abdul Rani holds a Bachelor of Laws (Honours) from the University of East Anglia, United Kingdom. She obtained her Certificate of Legal Practice from the Legal Profession Qualifying Board and was called to the High Court of Malaya in November 2014.

She began her career in 1998 with Cofreth (M) Sdn Bhd as an Executive and was later promoted to Contracts Manager, where she involved in tender exercise, client negotiations, procurement activities, risk management, and legal advisory matters. In 2002, she joined Philips Malaysia Sdn Bhd as Legal Executive and was promoted to Senior Legal Executive in 2003, where she was providing legal support, conducting legal audits and representing the company in engagements with the Malaysian International Chamber of Commerce and Industry (MICCI) and various government agencies.

From 2004 to 2007, she served as Director at Insignia Engineering Sdn Bhd, overseeing business development, tender and bidding exercises, and contract management. She later joined Bombardier (Malaysia) Sdn Bhd as Contracts Manager from 2007 to 2012, where she managed contractual and commercial matters for the LRT Kelana Jaya line upgrade project as well as supporting the representative of Bombardier-Hartasuma Consortium. In 2012, she joined CMC Engineering Sdn Bhd as Contract Manager, providing legal and contract management support for rail transportation projects.

In 2013, she commenced her legal practice with Kamaruzaman Arif, Amran & Chong as a pupil and was retained as an Associate in 2014, focusing on providing services in legal and contract management support, particularly in rail transportation projects. She continues her practice with the firm, now known as Kamaruzaman Arif & Sofiah, while supporting rail transportation projects through legal and contract advisory services.

In 2024, she was empanelled as an Adjudicator with the Asian International Arbitration Centre and co-founded Fortis Arch Global PLT, a partnership focused on cultural education as well as learning and development services.

She has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

PROFILE OF DIRECTORS

YAP CHOO CHENG

INDEPENDENT NON- EXECUTIVE DIRECTOR
CHAIRPERSON OF AUDIT AND RISK MANAGEMENT COMMITTEE
MEMBER OF REMUNERATION COMMITTEE
MEMBER OF NOMINATION COMMITTEE

Nationality	:	Malaysian
Age	:	51
Gender	:	Female
Date of appointment	:	10 May 2024
Number of board meeting attended in the financial year	:	One (1)



Ms. Yap Choo Cheng holds a Bachelor of Science with Honours in Accountancy from Queen's University of Belfast, United Kingdom. She has been a member of the Association of Chartered Certified Accountants since 2000 and the Malaysian Institute of Accountants since 2001 and was admitted as a Fellow Member of the Association of Chartered Certified Accountants in 2005.

She began her career in 1996 with KPMG Desa Megat & Co as an Audit Assistant and was promoted to Audit Senior in 1999. During her tenure, she was involved in statutory audits and transaction services, including listing exercises, mergers, and acquisitions.

In 2001, she joined Petra Resources Sdn Bhd, a then-subsiidiary of Petra Perdana Berhad (now known as Perdana Petroleum Berhad), as Assistant Accounts Manager. She was promoted to Group Accountant in 2005, overseeing financial reporting, tax planning, and corporate treasury management, before being appointed as Financial Controller in 2012. She left Perdana Petroleum in 2015 to pursue personal interests.

In 2017, she joined Only World Group Berhad as Chief Financial Officer, where she was responsible for the group's financial management. She later joined TCS Group Holdings Berhad in 2018 as Chief Financial Officer, managing the group's financial operations, including financial planning, cash flow management, and reporting.

In 2022, she joined Minox International Group Berhad as Chief Financial Officer, where she currently oversees the corporate and financial management of the group.

She has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

PROFILE OF DIRECTORS

LIM SU MAY

INDEPENDENT NON-EXECUTIVE DIRECTOR
CHAIRPERSON OF NOMINATION COMMITTEE
MEMBER OF REMUNERATION COMMITTEE
MEMBER OF AUDIT AND RISK MANAGEMENT COMMITTEE

Nationality	:	Malaysian
Age	:	52
Gender	:	Female
Date of Appointment	:	10 May 2024
Number of board meeting attended in the financial year	:	One (1)



Ms. Lim Su May holds a Bachelor of Science (Economics), majoring in Economics and Management Studies, from the University of London, United Kingdom.

She began her career in 1996 as a Marketing Sales Executive with Crystal Edge Sdn Bhd before moving into corporate finance with Perdana Merchant Bankers Berhad in 1997. In 2000, she joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) as an Executive in Corporate Finance, where she was involved in various corporate finance transactions. During her tenure with the Bank, she advanced from Executive to Manager in corporate finance, investment banking and equity capital markets roles, before leaving in 2004.

In 2004, she joined RHB Sakura Merchant Bankers Berhad (now known as RHB Investment Bank Berhad) as Assistant Vice President, where she was part of the pioneer team that established the Investment Banking Group. Thereafter, she joined Unicorn International Islamic Bank Malaysia Berhad (last known as Alkhair International Islamic Bank Berhad) as Assistant Vice President in 2005 and later promoted to Head of Strategic Planning & Direct Investments in 2008, where she was involved in growing the bank's footprint in East Asia and supporting the Chief Executive Officer's office with strategic planning of the local outfit's business. She then left in 2009 and served as Director of Ascendo Group Sdn Bhd until 2011.

From 2011 to 2019, she joined Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad (now known as MUFG Bank (Malaysia) Berhad) as Vice President, Head of Investment Banking, where she led the establishment of the division and focused on promoting debt capital markets products to clients. In the same year of 2019, she joined Bursa Malaysia Bhd as Executive Vice President, Listing Development, where she was responsible for promoting fund-raising activities via primary and secondary markets and overseeing market development initiatives.

In 2022, she joined SCS Global Advisory (M) Sdn Bhd as Director of Corporate Advisory and Mergers and Acquisitions, providing corporate advisory services. She also served as Chief Investment Officer of KYM Holdings Bhd, overseeing investment activities, in the same year until early 2025.

Ms Lim Su May also serves as an Independent Non-Executive Director of Aurora Italia International Bhd and SSF Home Group Berhad since 2022 as well as LAC MED Berhad on 15 April 2025.

She has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

PROFILE OF KEY SENIOR MANAGEMENT

SUSIE CHUNG KIM LAN CHIEF FINANCIAL OFFICER		
Nationality	:	Malaysian
Age	:	50
Gender	:	Female



Ms. Susie Chung Kim Lan joined our Group in March 2021 as Chief Financial Officer, overseeing the Group's financial functions, including financial planning and review, cash flow management, and financial reporting.

She holds a Bachelor of Business in Accounting/Finance from Charles Sturt University, Australia. She has been a member of Certified Practising Accountants Australia and the Malaysian Institute of Accountants since 2006.

She began her career in 1995 as an Audit Assistant at KPMG PLT in Sandakan, Sabah, where she was involved in audit matters. She left the firm in 1999 to pursue her tertiary education. In 2003, she joined Total Solutions M&E Sdn Bhd as an Account Executive, where she was responsible of preparation of the accounts and payroll of the company. She was the Accountant at Uniprint (Int) Sdn Bhd from 2006 to 2008, Internal Auditor at DK Leather Seats Sdn Bhd in 2008, and Accountant at MXM International Sdn Bhd from 2009 to 2013.

In 2013, she joined Far East Maju Engineering Works Sdn Bhd as Assistant Finance Manager, where she supervised both the accounting and human resource departments. She was later seconded to Far East Refrigeration (M) Sdn Bhd, where she was responsible of overseeing the finance team and finance management of the company. Between 2015 and 2017, she expanded her expertise by providing freelance accounting services before taking on the role of Head of Department (Accounts) at Respontrade Sdn Bhd in 2017.

Prior to joining the Group, she served as Chief Financial Officer of Samaiden Group Berhad from 2019 to 2020, where she was responsible for overseeing the accounting, human resource, administration, IT, and financial matters.

In addition to her current role, she was appointed as an Independent Non-Executive Director of Borneo Oil Berhad since 2022 and Taghill Holdings Berhad (formerly known as Siab Holdings Berhad) on 19 February 2025.

She has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

PROFILE OF KEY SENIOR MANAGEMENT

PETR OBSEL CHIEF TECHNOLOGY OFFICER		
Nationality	:	Czech
Age	:	47
Gender	:	Male



Mr. Petr Obsel joined the Group in February 2011 as Chief Technology Officer, leading the Group's technology strategy to ensure the safe, reliable, and continuous development of solutions that support business objectives.

He holds a diploma from the Gymnázium J. G. Mendela, Brno, Czech Republic. He also holds a Master of Business Administration from the Central European Management Institute in Prague, Czech Republic, and has been a member of the Project Management Institute since 2024.

He began his career in 1998 with Security Technologies a.s. in Brno, Czech Republic, as Sales & Presales Manager, managing technical project management, systems, development and integration for government agencies, banking, and supermarket chains.

In 2001, he joined Maxprogres, s.r.o. as a Sales & Presales Manager, where he was responsible of sales, marketing and technical presales management, as well as setting up branch offices in Prague, Czech Republic and Bratislava, the Slovak Republic.

He later joined CPE, spol. s.r.o. as Business Development Manager, where he involved identifying expansion opportunities into the Middle East, Africa and Asia, as well as identifying local projects and partnerships. He left the company in 2008.

During his tenure in CPE, spol. s.r.o., he was relocated to Malaysia in 2008, where he also founded MSITS Sdn Bhd (formerly known as Regional Security Academy Sdn Bhd), specialising in security system services and IT security training, where he served as a Director until 2018 and exited as shareholder in 2020.

In the same year of 2008, he also established Hasam Laboratories Sdn Bhd (formerly known as Codeberry Laboratories Sdn Bhd) with Juraj Zidzik, focusing on software and security system development, where he was responsible for strategic partnerships and product development until the company was struck off in 2017.

In 2011, together with Tan Hock Lim, Abdul Razak Lew bin Abdullah, and Chew Yee Sang, he incorporated Secure Depot Sdn Bhd (now known as TSM) and served as a Director. He also served as a Director of SeeTec Asia from 2012 to 2020.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

PROFILE OF KEY SENIOR MANAGEMENT



JURAJ ZIDZIK

CHIEF INFORMATION OFFICER

Nationality	:	Slovak
Age	:	45
Gender	:	Male

Mr. Juraj Zidzik joined the Group in September 2015 as Chief Information Officer, responsible for the conceptualisation, design, development, and implementation of software solutions to support the Group's projects.

He holds a Diploma from the Faculty of Management Science and Informatics at the University of Žilina, Slovak Republic. He has been a member of the Project Management Institute since 2016, a member of the British Computer Society since 2018, and a member of the Malaysian Institute of Management since 2018.

During his tertiary education, he began his career in 2004 at WebDesign Studio Praha, s.r.o., Czech Republic, as an Analyst cum Software Developer cum Project Manager, where he was responsible for design and development of international web-based system for data management and processing.

From 2005 to 2007, he joined Z.L.D, s.r.o., Czech Republic, as Chief Analyst and Project Manager, where he oversaw analytical teams to design and develop complex information systems in the area of disaster management, command and control centres and wide technology integration. In 2007, he joined CPE, spol, s.r.o. as a Solution Architect, providing consultation and reparation of solution designs for complex integration projects in various countries in Europe, the Middle East, and Asia.

During his tenure in CPE, spol, s.r.o., he was relocated to Malaysia in 2008 and decided to establish Hasam Laboratories Sdn Bhd (formerly known as Codeberry Laboratories Sdn Bhd) with Petr Osbel, serving as a Director of R&D. He led the development of custom-based solutions and products related to technology integration, software equipment for command and monitoring centres, and CCTV surveillance software development until his departure in 2015.

In 2015, he joined the Group as Chief Information Officer at TSM where he was responsible for designing and implementing specific integrated solutions as well as overseeing IT-related project matters, contributing to its strategic and technological growth.

He was appointed as Chief Information Officer of SeeTec Asia since 2020.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

PROFILE OF KEY SENIOR MANAGEMENT

MOHD AFIQ BIN MUSTAFA
HEAD OF ENGINEERING

Nationality	:	Malaysian
Age	:	36
Gender	:	Male



En. Mohd Afiq bin Mustafa is the Head of Engineering of the Group, where he oversees a team of engineers to ensure timely deliverables of all projects technical and design deliverables, ensuring the compliance of technical and safety requirement for all projects as well as reviewing all design and technical documentation.

He holds a Diploma in Electrical Engineering and a Bachelor of Electrical Engineering (Power Electronics & Drives) with Honours from Universiti Teknikal Malaysia Melaka.

He began his career in 2014 as a Project Engineer with United Straits M&E Sdn Bhd, where he was involved in construction projects on site, covering installation of equipment, providing technical solutions, and ensuring projects were progressing according to schedule. He also prepared project billings for collections based on progress on site.

In September 2015, he joined the Group as a Project Engineer, where he was responsible for preparing design and technical documentation, as well as overseeing and ensuring the system design meets project and safety requirements. His contributions led to his promotion in 2018 to Assistant Engineering Manager, where he supported the Head of Engineering in managing a team of engineers, reviewing design and technical documentation, and ensuring timely submission of all technical and design deliverables.

In April 2022, he was appointed as Head of Engineering, a role he continues to hold, leading the department in delivering high-quality engineering solutions that support the Group's operational and project objectives.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

PROFILE OF KEY SENIOR MANAGEMENT

FONG LAI KUAN MANAGER		
Nationality	:	Malaysian
Age	:	59
Gender	:	Female



Ms. Fong Lai Kuan is the Manager – Contract and Risk of the Group, where she oversees contract management and risk management for awarded projects within the Group.

She completed her Malaysia Higher School Certificate from Sekolah Menengah Kebangsaan Methodist (ACS), Ipoh, Perak and obtained a Private Secretary's Certificate from the London Chamber of Commerce and Industry, a Secretarial Group Certificate from Pitman Examination Institute London, and a Certificate in Private Secretaryship from Goon Institution.

She began her career in 1986 as a Clerk with Herbho Management Services Sdn Bhd and subsequently joined Syarikat Mofokcintong as Personal Secretary from 1988 to 1989. Subsequently, she joined Perak Turf Club as Racing Clerk, providing administrative support to personal assistant and the club secretary.

In 1990, she joined Kvik (Malaysia) Sdn Bhd as a Secretary, responsible in administrative support to the General Manager and the Factory Manager, as well as liaising with local authorities on permits and licenses related matter.

She then joined The Pan Pacific Resort, Pangkor as Management Secretary in 1992 and was promoted to Executive Secretary in 1993, and promoted further to Business Services Manager in 1996, where she was overseeing the Resort's Business Centre and managing executive office matters.

In 1996, she joined MEASAT Broadcast Network Systems Sdn Bhd (ASTRO) as Area Executive – Administration, where she was overseeing the administration, accounts and sales support department for several regions in Malaysia. She was redesignated as Project Executive in 2022, responsible of tracking activations and reconciling inventory movements for nationwide upgrade of ASTRO boxes. In 2008, she was promoted to Senior Executive – Sales Operations and successfully completed upgrade and migration of ASTRO's Customer Relationship Management System as well as development and maintenance of Local Operating Procedures, Business Continuity Plan.

Between 2011 and 2014, she served as Support Manager at Theta Service Partner Sdn Bhd, managing onsite accounts, co-ordinated requirements gathering, proposals, functional documentation, scheduling of enhancements and new developments and reviewed contracts for IT software solutions to banks.

She joined TSM in February 2015 as Administration Manager, overseeing an administration team for the preparation and review of documents for tender submissions and was promoted to Manager – PMO Administration, managing administrative support for awarded projects. In 2019, she was promoted to her current role as Manager – Contract and Risk. In 2022, she was also appointed Manager – Contract and Risk of SeeTec Asia.

She has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with TechStore Group.

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE

	FYE 2024 RM'000	FYE 2023 RM'000	FYE 2022 RM'000	FYE 2021 RM'000
Revenue	62,280	62,207	42,239	29,382
Gross profit ("GP")	14,091	15,064	10,965	10,406
Profit before tax ("PBT")	8,680	10,496	9,375	9,102
Profit after tax ("PAT")	6,288	7,722	7,212	6,762

FINANCIAL POSITIONS

	As at 31 December			
	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Total assets	100,480	63,602	49,287	33,301
Total liabilities	62,120	31,530	24,937	15,863
Total equity	38,360	32,072	24,350	17,438
Cash and cash equivalents	12,988	18,094	7,581	10,197

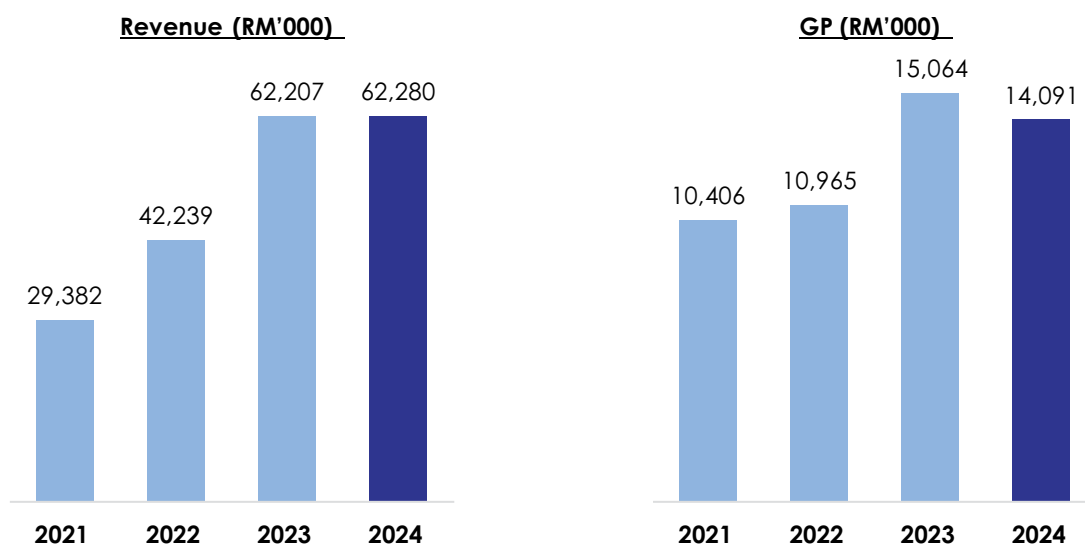
FINANCIAL RATIOS

	FYE 2024	FYE 2023	FYE 2022	FYE 2021
GP margin (%)	22.63	24.22	25.96	35.42
PAT margin (%)	10.10	12.41	17.07	23.01
Diluted earnings per share (sen) ⁽¹⁾	1.68	2.06	1.92	1.80
Current ratio (times)	1.79	2.15	2.16	2.18
Gearing ratio (times)	0.96	0.27	0.19	0.13
Net asset per share (sen) ⁽²⁾	10.23	8.55	6.49	4.65

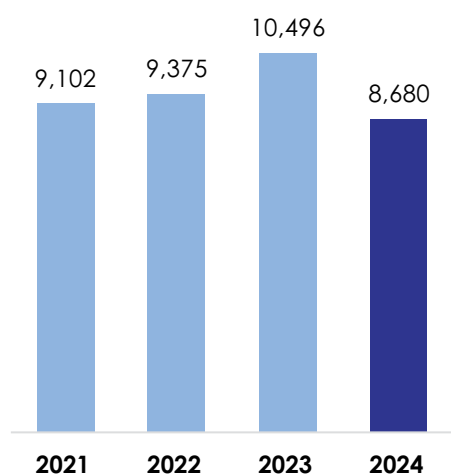
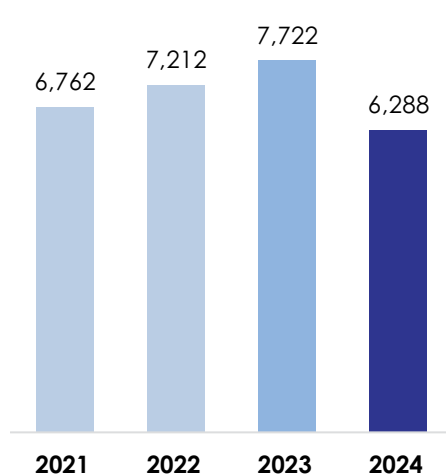
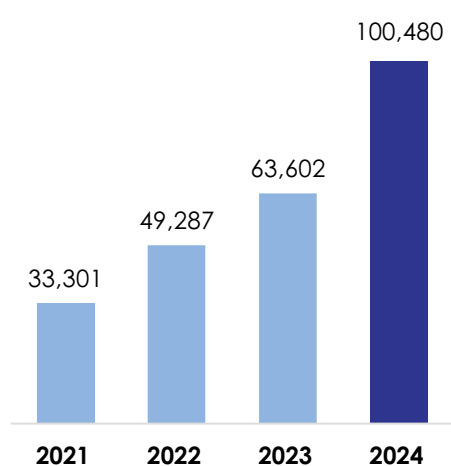
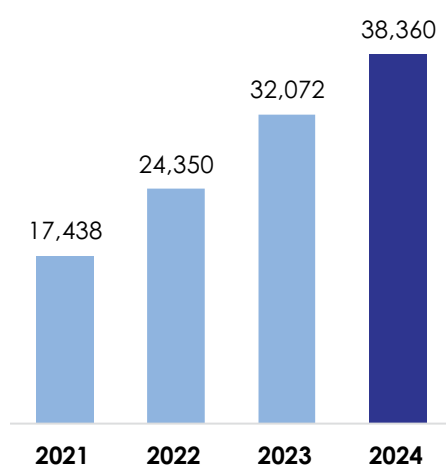
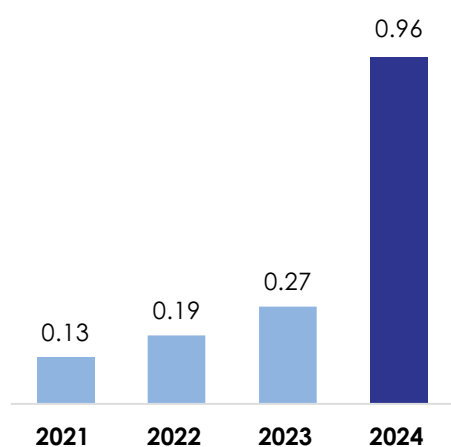
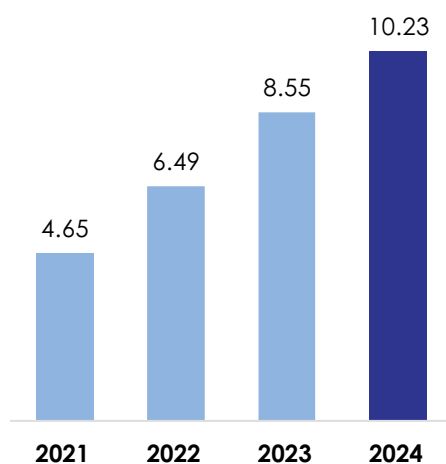
Notes:

⁽¹⁾ Calculated based on PAT over the issued share capital of 375,000,000 shares.

⁽²⁾ Calculated based on total equity over the issued share capital of 375,000,000 shares.



FINANCIAL HIGHLIGHTS

PBT (RM'000)PAT (RM'000)Total assets (RM'000)Total equity (RM'000)Gearing ratio (times)Net asset per share (sen)

CHAIRMAN'S STATEMENT

Dear Esteemed Shareholders,

On behalf of the Board of Directors (the "**Board**"), I am pleased to present the Annual Report of TechStore and the Audited Financial Statements for the financial year ended 31 December ("**FYE**") 2024. This year marks a major milestone as we successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 18 February 2025. This achievement reflects our growth and the trust placed in us by our investors. It also strengthens our position as a provider of enterprise IT services, focusing on IT security and automation solutions. With this, we look forward to the next chapter of our journey.

DATO' AB RAHIM BIN ABU BAKAR

INDEPENDENT NON-EXECUTIVE CHAIRMAN



Our Initial Public Offering ("**IPO**") received an overwhelming response with an impressive oversubscription rate of 96.66 times. We have successfully raised RM25.00 million by issuing 125.00 million new ordinary shares at RM0.20 each. As part of our strategic business plan, the majority of the IPO proceeds have been allocated to meet the anticipated working capital requirements for our future projects and employee-related costs. This infusion of financial resources will empower us to undertake more and larger-scale projects concurrently driving the growth and expansion of our Company.

In response to the rising demand for technology application and infrastructure solutions, we are committed to further strengthen our technology capabilities to maintain our competitive edge. To this end, we will invest in equipment, computer and hardware, and software which enable us to manage complex projects seamlessly.

Additionally, we will also be setting up a new branch office in Danga Bay, Johor Bahru to carry out projects related to the rapid transit system ("**RTS**") link between Singapore and Malaysia which enable us to better carry out our business development and project management functions. These strategic investments underscore TechStore's commitment to long-term success in delivering secure and reliable IT solutions.



CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE

For FYE 2024, we achieved a revenue of RM62.28 million reflecting an increase of 0.12% from RM62.21 million in FYE 2023. The growth was mainly due to the increase in revenue from maintenance and support services by RM12.75 million or 212.50%, from RM6.00 million in FYE 2023 to RM18.75 million in FYE 2024. The increase was mainly due to the supply of passenger information system ("PIS"), which provides passenger with visual and audio information such as destination and next stops for a railway company, contributing RM8.55 million to the revenue. Additionally, the supply of hardware, software and provide professional services for Intelligence Supervisory Control and Data Acquisition ("SCADA") system, generated RM4.13 million in revenue.

Despite the revenue growth, our GP decreased by 6.46% from RM15.06 million in FYE 2023 to RM14.09 million in FYE 2024. This was mainly due to an increase in the cost of sales in the maintenance and support services segment for the purchase of equipment arising from the provision of ETS3 PIS Project which involves the supply, installation and commissioning of onboard train PIS to a railway company.

Consequently, our PAT decreased by 18.57% from RM7.72 million in FYE 2023 to RM6.29 million in FYE 2024.

As at 31 December 2024, our financial position remained robust, with cash and cash equivalents of RM12.99 million. However, we recorded a current ratio of 1.79 times and a higher gearing of 0.96 times due to increase in term loan and hire purchase facilities to finance the working capital for the purchase of information communication technology ("ICT") equipment to lease to government agencies under two (2) leasing arrangements.

CORPORATE GOVERNANCE AND SUSTAINABILITY

We are committed to uphold strong governance, ensuring transparency and accountability through policies such as our Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy. Our Anti-Bribery Management System adopts the requirements of International Organisation for Standardisation ("ISO") 37001:2016, reflecting our commitment to ethical business practices and effective prevention of bribery. On the environmental front, we are investing in solar energy, enhancing energy efficiency, and promoting responsible waste management. As a testament to our efforts, we have obtained the ISO 14001:2015 certification from the International Organisation for Standardisation.

Equally important, we also prioritise a safe, inclusive workplace, guided by ISO 45001:2018 standards. Additionally, we are proud of our commitment to gender diversity, with 50.0% female representation on our Board, ensuring a balanced and inclusive leadership team.

These collective efforts reinforce our goal of building a sustainable, responsible, and resilient organisation while creating lasting value for our stakeholders. By integrating environmental, social, and governance (ESG) principles into our core operations, we aim to create lasting value for our stakeholders while contributing positively to the communities we serve and the environment we operate in.

OUTLOOK

Malaysia's economy is expected to grow between 4.5% and 5.5% in 2025, driven by strong demand, increased government spending, and major infrastructure projects. Additionally, we are optimistic with the continuous expansion of the local enterprise IT services industry. It is projected that the industry will expand at a compound annual growth rate of 5.6% from RM22.92 billion in 2024 to reach RM28.80 billion in 2028.

Growth will be further supported by national master plans, the global technology upcycle, and rising tourism. The enterprise IT sector remains positive, with increasing demand for cloud computing, internet of things, and digital transformation. Rail projects like light rail transit ("LRT") 3, the RTS link, and the Penang LRT, along with Industry 4.0 initiatives, will drive further IT adoption. Additionally, support from the Malaysian Government through economic plans such as the National 4IR Policy and the MyDigital Economy Blueprint creates growth opportunities for the economy and build digital infrastructures and talent.

Moving forward, we will continue strengthening our services, expanding our client base, and investing in future-ready technologies to create long-term value.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend my heartfelt gratitude to our shareholders, board members, management team, and employees for their continuous support and dedication, which have been instrumental in achieving our listing on the ACE Market of Bursa Securities. This milestone would not have been possible without your collective efforts and commitment. We also extend our sincere gratitude to our stakeholders, including our valued shareholders, customers, suppliers, business associates, advisers and bankers for their unwavering support.

As we move forward, I am confident that TechStore is well-positioned for growth and will enhance our market presence by capitalising on emerging opportunities. With a clear vision and a dedicated team, we are committed to delivering sustainable success and driving value for our shareholders and partners. Thank you for being an integral part of our journey.

DATO' AB RAHIM BIN ABU BAKAR

INDEPENDENT NON-EXECUTIVE CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS AND OPERATIONAL OVERVIEW

TechStore Group is primarily involved in the provision of enterprise IT services, primarily involving the IT security and automation solutions to support our customers' operations. We work with our customers to provide the design, development, customisation, testing and integration of IT security and automation solutions to meet our customers application needs. We also provide our customers with maintenance and support services for the IT solutions that we deliver.

Our Group's track record since the commencement of business in 2011 spans several industries, and our solutions have been used in various types of operations, such as factories, theme parks, government buildings, and more recently, public infrastructure. By integrating several key operational functions from command and control, surveillance, security, access, and communication, our Group's solutions optimise the operations of our customers by, amongst others, improving security, increasing efficiency, and empowering employees to better deliver necessary actions in a timely manner, thereby increasing value to their businesses. Notably, our Group's solutions allow for the transformation and/or migration of customers' existing analogue systems to digital without overhaul of their existing systems.

Design and implementation of security and automation solutions

We specialised in design and implement IT security and automation solutions that are customisable to meet our customers' requirements. Our services are to provide our customers with IT security and automation solutions on a turnkey basis including design, development, customisation, installation, testing, commissioning, maintenance, support and enhancement services.

Provision of maintenance and support services

The maintenance and support services we provide to our customers covers software, hardware, as well as infrastructure. The overall maintenance and support services can be preventive, comprehensive, or reactive whereby we are only engaged when an issue arises. For customers with service level agreement, we offer a fixed fee structure for a predetermined period based on a defined scope of work. Additionally, we provide system maintenance agreements on a subscription basis, which allows customers to progressively upgrade their software systems in line with the availability of software release upgrades.

Beyond our design and implementation services, we also handle the sourcing and procurement of hardware and software products necessary for maintenance and support. This includes replacing or upgrading components and products as needed. Our suppliers comprise both international and local hardware and software brand owners, and we procure products either directly from the brand owners or via their authorised distributors. As part of our portfolio, we are proud to be appointed as a distributor and reseller for prominent overseas brands such as GINA and Hikvision, which enables us to offer high-quality solutions to our customers.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE REVIEW

Statements of profit or loss and other comprehensive income

	FYE 2024 RM'000	FYE 2023 RM'000	Variance	
			RM'000	%
Revenue	62,280	62,207	73	0.12
GP	14,091	15,064	(973)	(6.46)
PBT	8,680	10,496	(1,816)	(17.30)
PAT	6,288	7,722	(1,434)	(18.57)
GP margin (%)	22.63	24.22		(1.59)
PBT margin (%)	13.94	16.87		(2.93)
PAT margin (%)	10.10	12.41		(2.31)

Our Group recorded a revenue of RM62.28 million in FYE 2024, representing an increase of 0.12% or RM0.07 million as compared to the RM62.21 million achieved in FYE 2023. This increase was mainly driven by the following:

- (i) Increase in revenue from maintenance and support services: This segment increases significantly by RM12.75 million or 212.50%, from RM6.00 million in FYE 2023 to RM18.75 million in FYE 2024. The increase was mainly due to the supply of PIS, which provides passenger with visual and audio information such as destination and next stops for a railway company, contributing RM8.55 million to the revenue. Additionally, the supply of hardware, software and provide professional services for Intelligence SCADA system, generated RM4.13 million in revenue; and
- (ii) Decrease in revenue from design and implementation services: This segment experienced a decrease of RM12.70 million or 22.59%, from RM56.23 million in FYE 2023 to RM43.53 million in FYE 2024. The decrease was mainly due to lower revenue generated from the LRT3 project, which declined by RM20.96 million. Additionally, the completion of four (4) projects in FYE 2024 resulted in a revenue reduction of RM10.85 million.

Despite the decrease in the design and implementation services segment, the overall revenue growth was partly offset by the increase in revenue from the human resources management information system project, which contributed RM15.97 million. Furthermore, the commencement of the new project for the Malaysia Agencies Fit-Out Works at Singapore Customs, Immigration and Quarantine Centre contributed an additional RM3.18 million in revenue.

Despite the revenue growth, our GP decreased by 6.46%, from RM15.06 million in FYE 2023 to RM14.09 million in FYE 2024. This was mainly due to an increase in the cost of sales in the maintenance and support services segment for the purchase of equipment arising from the provision of ETS3 PIS project which involves the supply, installation and commissioning of onboard train PIS to a railway company.

Additionally, the GP margin decreased by 1.59%, from 24.22% in FYE 2023 to 22.63% in FYE 2024, mainly attributed to the following:

- (i) Decrease in GP margin from design and implementation services, mainly resulting from work carried out on platform screen door system ("PSDS") project in FYE 2024, which generated a lower GP margin due to increase in the cost for purchases and the subcontractor cost. In addition, the earthing and lighting protection system project and human resources management information system project also contributed lower GP margin as we provided more competitive pricing to secure the projects; and
- (ii) Decrease in GP margin for the maintenance and support services segment, mainly due to the lower GP margin from ETS3 PIS project as compared to other projects, due to price competition. This in line with our Group's strategy to maintain business relationship and secure future projects.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Statements of profit or loss and other comprehensive income (Cont'd)

Our PBT also decreased by RM1.82 million or 17.30% from RM10.50 million in FYE 2023 to RM8.68 million in FYE 2024. In addition, our PBT margin decreased by 2.93% from 16.87% in FYE 2023 to 13.94% in FYE 2024. The decrease mainly attributable to the following:

- (i) Increase in finance costs by RM1.03 million mainly attributable to the increase in term loan interest for the drawdown of one (1) additional term loan facility amounting to RM35.0 million to finance our working capital for the purchase of ICT equipment to rent to a government agency under a leasing arrangement; and
- (ii) Increase in administrative expenses by RM4.30 million mainly attributable to the increase in staff costs, IPO expenses, directors' remuneration, stamp duty, amortisation of intangible assets, professional fee, sales and service tax expenses and etc.

Consequently, our PAT decreased by 18.57% from RM7.72 million in FYE 2023 to RM6.29 million in FYE 2024. PAT margin decreased by 2.31% from 12.41% in FYE 2023 to 10.10% in FYE 2024. The decrease was mainly attributed to the factors explained above for PBT and PBT margin section.

FINANCIAL POSITION AND LIQUIDITY REVIEW

Statements of financial position

	As at 31 December		Variance	
	2024	2023		
	RM'000	RM'000	RM'000	%
Non-current assets	39,414	4,735	34,679	732.40
Current assets	61,066	58,867	2,199	3.74
Total assets	100,480	63,602	36,878	57.98
Non-current liabilities	28,090	4,131	23,959	579.98
Current liabilities	34,030	27,399	6,631	24.20
Total liabilities	62,120	31,530	30,590	97.02
Net assets	38,360	32,072	6,288	19.61
NA per share (sen)	10.23	8.55	1.68	19.61
Current ratio	1.79	2.15	0.36	(16.49)
Gearing ratio	0.96	0.27	0.69	257.71

Our Group's total assets increased by RM36.88 million or 57.98%, from RM63.60 million as at 31 December 2023 to RM100.48 million as at 31 December 2024. This increase was mainly driven by an increase in finance lease receivables, which rise by RM32.68 million, resulting from finance lease arrangements for ICT equipment to lease to government agencies. Additionally, intangible assets increased by RM2.28 million due to the capitalisation of development cost for the PSDS project.

Our Group's total liabilities increased by RM30.59 million or 97.02%, from RM31.53 million as at 31 December 2023 to RM62.12 million as at 31 December 2024. This was mainly due to an increase in term loan and hire purchase payables during the financial year. The additional drawdown of term loan and hire purchase facilities amounting to RM35.0 million and RM2.57 million respectively, was used to finance the working capital for the purchase of ICT equipment to lease to government agencies under two (2) leasing arrangements. As a result, our Group's gearing ratio increased from 0.27 times as at 31 December 2023 to 0.96 times as at 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION AND LIQUIDITY REVIEW (CONT'D)

Statements of financial position (Cont'd)

Overall, our Group concluded the financial year with a solid financial position with a cash and cash equivalents of RM12.99 million as at 31 December 2024. Despite this, we recorded a current ratio of 1.79 times and a higher gearing of 0.96 times. Additionally, our Group achieved a stronger net assets position, with RM38.36 million as at 31 December 2024, which translates to a net assets per share of 10.23 sen.

Statements of cash flows

	FYE 2024 RM'000	FYE 2023 RM'000	Variance	
			RM'000	%
Net cash from operating activities	6,527	7,825	(1,298)	(16.59)
Net cash for investing activities	(2,457)	(1,397)	(1,060)	75.88
Net cash (for)/from financing activities	(8,449)	3,981	(12,430)	(312.23)
Net (decrease)/increase in cash and cash equivalents	(4,379)	10,409	(14,788)	(142.07)
Effects of foreign exchange translation	37	(34)	71	208.82
Cash and cash equivalents at the beginning of the financial year	13,654	3,279	10,375	316.41
Cash and cash equivalents at the end of the financial year	9,312	13,654	(4,342)	(31.80)

Our Group generated a lower net cash from operating activities of RM6.53 million in FYE 2024 as compared to FYE 2023. This mainly attributable to a lower operating profit before working capital adjustments in FYE 2024, which amounted to RM6.93 million as well as changes in working capital of RM2.95 million. This was offset by interest payments of RM0.27 million and tax payment of RM3.08 million.

The Group's recorded a higher net cash for investing activities of RM2.46 million in FYE 2024, mainly due to the purchase of intangible assets related to the capitalisation of development cost for the PSDS project, which amounted to RM2.49 million.

Additionally, our Group recorded a net cash for financing activities of RM8.45 million in FYE 2024. This was mainly due to the net repayment of invoice financing of RM3.05 million, which was financed by the net progressive claims for the LRT3 automatic fare collection project, schedule repayment of term loan facilities of RM6.43 million for the purchase of property and working capital, and the net repayment of bankers' acceptances of RM0.31 million to pay to our trade payables. However, this was partially offset by the net drawdown of hire purchase facility of RM2.98 million for the purchase of ICT equipment and a motor vehicle.

MANAGEMENT DISCUSSION AND ANALYSIS

ANTICIPATED OR KNOWN RISK

Dependency on our major customer, Setia Utama

We are dependent on Setia Utama, the main contractor of the LRT3 line that connects Johan Setia and Bandar Utama. If we are unable to secure new contracts of similar value to replace the loss of revenue from Setia Utama, it may also materially and adversely affect our prospects in the future.

That said, our Group has established and maintained a continuing business relationship with Setia Utama since 2019 with a proven track record in securing subsequent projects from Setia Utama. Notwithstanding that we will cease to generate revenue from Setia Utama upon the expiration of our contracts, we have secured additional contracts for design and implementation projects from other customers after the award of the LRT3 related projects to reduce our dependency on Setia Utama.

Dependency on our ability to secure new projects

Our Group's prospects and financial performance is dependent on our ability to continuously secure new projects from existing and new customers on a timely basis. Our revenue is subject to fluctuation depending on the number, size and duration of our Group's ongoing projects as well as if our arrangement with our customers is recurring or non-recurring. The loss of our customers or our inability to secure new customers, or additional projects from our existing customers could adversely affect our financial performance.

Further, we are required to tender for projects and the success of our tender may be affected by factors such as level of competition, track record compared to competitors, as well as pricing of products and services. As such, we may not be successful in securing every project that we tender for. We may also be required to adjust our pricing in order to remain competitive during the tender process, which may lead to a decline in our financial performance.

To address the said risk, our Group has taken proactive measures to reduce dependency on single projects or customers. By consistently delivering high-quality work and fostering strong customer relationships, we increase the potential of repeat business opportunities. In addition, our business development team also actively seeks new projects and opportunities, and regular risk assessments help us prepare for challenges. These efforts help minimise revenue fluctuations and ensure financial resilience.

Dependency on customers within the public land transportation sector

We are dependent on customers within the public land transportation sector as a substantial portion of our revenue growth. The majority of revenue contributions from these customers are related to major public rail construction projects including the mass rapid transit, LRT and rapid transit system. A decline in major public rail construction projects may adversely affect our financial performance and prospects if we are unable to replenish our order book with projects from other industries on a similar scale.

Nevertheless, we actively pursue opportunities in other sectors to broaden our project portfolio. Further, we will focus on strengthening our relationships with existing clients while expanding our customer base to include private and international projects. By enhancing our technical expertise and operational flexibility, we aim to adapt to market changes and secure projects of similar scale from diverse industries, ensuring sustained revenue growth and financial stability.

MANAGEMENT DISCUSSION AND ANALYSIS

Moving forward

We are optimistic about our prospects in the IT enterprise services industry, as they are favourable taking into consideration our future plans in expansion of our business development team. The business development team is responsible for planning and executing sales and marketing strategies, attending to inquiries from prospective customers, preparing detailed proposals and presentations to customers as well as preparation of tenders and quotations. The additional headcount will enable the team leaders to carry out the sales and marketing strategies more swiftly and effectively.

To further enhance our capabilities, our Group also intend to purchase additional equipment as well as IT hardware and software where we recognise the increasing demand for technology application and infrastructure solutions in all industries and we wish to strengthen our technology capabilities in order to maintain our competitiveness. We propose to install a rooftop solar photovoltaic system as part of the capital expenditure towards achieving our long-term environmental, social and governance, which will also contribute to lower utility costs.

On another front, our Group has been awarded projects related to the RTS link between Singapore and Malaysia. As such, we intend to set up a branch office in Danga Bay, Johor Bahru to ensure that we are able to improve on the timeliness and efficiency of our services. We also believe that by expanding our geographical presence, we will be able to offer our services to more potential customers and further grow our brand.

According to the Independent Market Research Report conducted by Protégé Associates Sdn Bhd, outlook and prospects of the enterprise IT services industry in Malaysia are expected to be positive in view of demand from a digital transformation economy which has accelerated the adoption of IT services such as cloud computing and internet of things including in end-user markets that were not traditionally heavy users of IT. Demand for enterprise IT services in the transportation industry in particular is expected to be supported by continued relevance of the rail transportation sector, whereby various rail infrastructure projects are ongoing including LRT3 (expected to be operational in the third quarter of 2025 and the RTS link between Malaysia and Singapore (expected to be operational in the fourth quarter of 2026). Furthermore, the Malaysian Government had announced that construction of Penang's first LRT project had commenced in early 2025 with the ground breaking ceremony slated in January 2025. The project is targeted to be completed by 2030.

In addition to demand for enterprise IT services in the transportation industry, the Malaysian enterprise IT services industry is also expected to be supported by continuous foreign and domestic direct investments in the manufacturing sector, support from the Malaysian Government, and availability of skilled IT professionals. The manufacturing sector has been transitioning into the Fourth Industrial Revolution and utilising IT such as internet of things, artificial intelligence, machine learning and big data analysis and as such, the continued investment and growth in the manufacturing sector is likely to augur well for the enterprise IT services industry in Malaysia. Support from the Malaysian Government can be seen in the launch of the National 4IR Policy (2021-2030), and the Digital Economy Blueprint (2021-2030) known as the MyDigital which aims to create new socioeconomic growth opportunities for the economy and build digital infrastructures and talents to drive digital transformation in public and private sectors.



SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

TechStore Group, an industry leader in advanced security, communication, and automation solutions, recognises the critical importance of integrating sustainability into every aspect of our business operations.

The global technology sector faces numerous environmental, social, and economic challenges, necessitating forward-thinking and responsible strategies to ensure enduring resilience. Our steadfast commitment to sustainability initiatives aligns deeply with our core principles and mission to deliver top-tier, environmentally friendly technology solutions. We strive to promote social inclusivity, ecological responsibility, and meet the high standards demanded by our clients for quality and reliability.

In response to these challenges, our Group has developed a comprehensive sustainability framework based on Environmental, Social, and Governance ("ESG") factors. This framework aims to align our business practices with the United Nations Sustainable Development Goals ("SDGs"), relevant sustainability guidelines, and international reporting standards to contribute to sustainable and equitable operations. Our ESG approach enables us to systematically address crucial aspects of our operations, including responsible sourcing, environmental stewardship, social responsibility, economic viability, governance and transparency, and stakeholder engagement.

By implementing this sustainability framework, TechStore not only fulfils our ethical responsibilities but also creates long-term value for our stakeholders, enhances our corporate reputation, and fosters a culture of sustainability within our organisation. We are dedicated to continual improvement, open communication, and collaboration with stakeholders as we advance on our journey towards a more sustainable future in technology solutions.

REPORTING SCOPE AND BOUNDARY

The scope and boundary cover TechStore's operations, including its subsidiaries operating in Malaysia, namely Tech-Store Malaysia Sdn Bhd and SeeTec Asia Sdn Bhd.

REPORTING PERIOD

The report includes activities carried out between 1 January 2024 to 31 December 2024 and up to 25 April 2025, aligning with the Group's financial reporting period.

REPORTING STANDARDS AND GUIDELINES

The statement adheres to the AMLR and in reference to the Sustainability Reporting Guide (3rd Edition) under Bursa Securities. We are constantly enhancing our sustainability strategy which will contribute to the enhancement of the framework over the years.

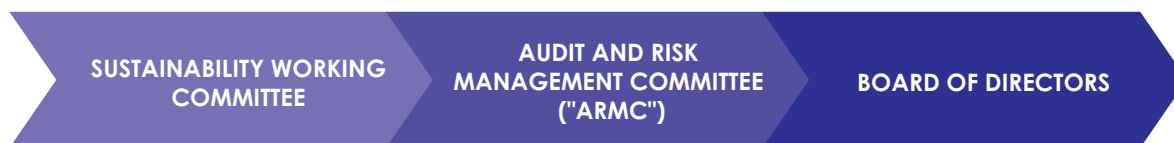
STATEMENT OF ASSURANCE

This Sustainability Statement has not been subjected to an assurance process. The information provided in this statement is presented on a best-effort basis and is subject to further improvement in future reporting cycles.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

Our Group views sustainability management as an integral part of our business operations, incorporating the monitoring and management of sustainability matters alongside our daily operational activities. The governance structure of our sustainability framework is comprised of three (3) levels:










BOARD AND COMMITTEE	ROLES AND RESPONSIBILITIES
Board of Directors	<ul style="list-style-type: none"> Provides general oversight of the Group's sustainability performance. Sets the strategic direction for sustainability management across the Group. Review and approve the annual Sustainability Statement.
ARMC	<ul style="list-style-type: none"> Ensure that key decisions related to sustainability are aligned with the Group's broader business strategies and objectives. Works closely with the Sustainability Working Committee to address potential risks and opportunities.
Sustainability Working Committee	<ul style="list-style-type: none"> Report material sustainability matters, progress and performance to the ARMC on a periodic basis. Daily management of sustainability matters throughout the Group. Research sustainability initiatives to enhance the Group's sustainability performance. Implement sustainability strategies and initiatives. Perform data gathering and track sustainability progress throughout the Group. Establish key performance indicators to measure and monitor progress in achieving sustainability objectives. Regularly review and update sustainability goals and targets to ensure continuous improvement.

STAKEHOLDERS ENGAGEMENT

Stakeholder engagement is a key part of our sustainability strategy. Since our operations are broad, it is important for us to stay in regular contact with key stakeholders to understand, evaluate, and address their concerns.

These discussions help us to identify and tackle ESG issues, both challenges and opportunities. We use the feedback to shape our sustainability strategy and focus on areas that need attention or offer new opportunities to benefit our communities. We are committed to open communication and working together with our stakeholders to make sure our approach to sustainability is strong and effective.

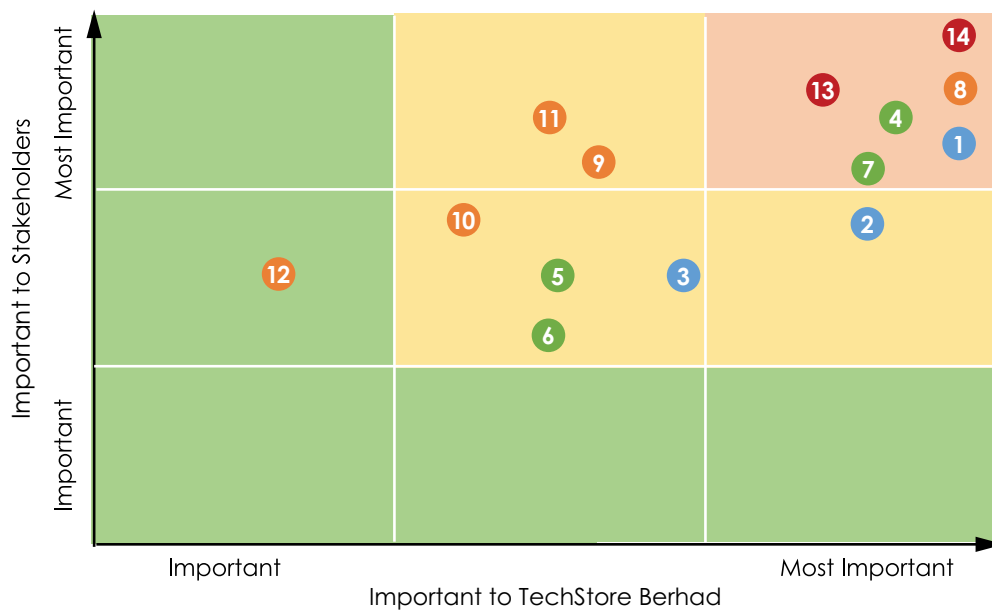
SUSTAINABILITY STATEMENT

Stakeholders	Area of interest material matters	Engagement approach
Shareholders, Financiers and Investors 	<ul style="list-style-type: none"> Investment returns and share price performance Sustainable business growth Financial and operational performance Corporate governance and risk management Business strategies and future plans 	<ul style="list-style-type: none"> Quarterly financial results Annual Report General meetings Company website Bursa Securities announcements Emergency meetings
Customers 	<ul style="list-style-type: none"> High quality sustainable products and services Competitive and affordable pricing Customer satisfaction and experience Customer data privacy 	<ul style="list-style-type: none"> Approved site visit Up-to-date company website Product quality verification in accordance with ISO Certification Compliance to Personal Data Protection Act 2010
Suppliers and Contractors 	<ul style="list-style-type: none"> Sustainable business relationships Efficient and transparent procurement procedures Credit terms and timely payments 	<ul style="list-style-type: none"> Annual supplier evaluation Physical and virtual communications Contractual agreements
Employees 	<ul style="list-style-type: none"> Competitive remuneration and benefits package Occupational health and safety best practices at workplace Training, upskilling opportunities and career development Business growth and strategic direction Inclusive workplace Work life balance 	<ul style="list-style-type: none"> Internal transparent communications Equal employment opportunities Periodic performance assessment and appraisal Training and development programs Compliance to Employment Act and Occupational Safety and Health Act 1994
Government Agencies and Regulators 	<ul style="list-style-type: none"> Legal compliance Corporate governance 	<ul style="list-style-type: none"> Compliance audit Bursa Securities announcements Renewal of license and permits
Analysts and Media 	<ul style="list-style-type: none"> Financial and operational performance Business growth and expansion plans Corporate governance Share price performance 	<ul style="list-style-type: none"> Quarterly financial results Annual report General meetings Interview sessions Company website Bursa Securities announcements
Communities and non-government organisation 	<ul style="list-style-type: none"> Environmental impact from business operations Local job creation and economic support 	<ul style="list-style-type: none"> Company website Internship program

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT AND SUSTAINABILITY STRATEGIES

We conduct a materiality assessment at least once a year to ensure the material matters we have identified remain relevant. The process follows a three (3) steps approach, as shown below:-



ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
1 Quality Assurance	4 Environmental Compliance	8 Occupational Safety & Health ("OSH")	13 Corporate Governance
2 Supply Chain Management	5 Energy Management	9 Employee Training	14 Regulatory Compliance
3 Technology Innovation	6 Water Management	10 Workforce Diversity	
	7 Waste Management	11 Employee Welfare	
		12 Community Engagement	

SUSTAINABILITY STATEMENT







SUSTAINABILITY STRATEGIES AND MAPPING OF SDG

Based on the material issues identified as significant to our Group and its stakeholders, we have identified the key stakeholder groups to prioritise in the development of our sustainability strategies.




In our effort to stay abreast with the latest sustainability trends and development, we have aligned our strategies with the SDGs. As a reflection of our commitment to supporting these global objectives, we have mapped ten (10) SDGs to our sustainability strategies.

Material Matters	Risks	Opportunities	Sustainability strategies
Quality Assurance 	Inadequate quality and safety can negatively impact consumer health and safety, potentially leading to remedial actions, compensation costs, fines, legal actions, and damaged reputation among stakeholders, ultimately resulting in reduced sales.	Prioritising the use of sustainable building materials and technologies not only aligns with environmental goals but also ensures higher quality and longevity of constructed assets.	<ol style="list-style-type: none"> 1. Implement robust quality management systems and continuous improvement processes. 2. To enhance project quality and ensure timely delivery.
Technology Innovation 	Data breaches leading to financial and reputational damage. This may lead to loss of customer trust due to inadequate data security.	Strengthening stakeholder trust through robust data practices and enhanced customer loyalty by ensuring data security.	<ol style="list-style-type: none"> 1. Implement comprehensive data protection policies aligned with international standards. 2. Invest in advanced cybersecurity technologies, encryption, and secure access controls.
Supply Chain Management 	Poor supply chain performance can increase environmental and social impacts, affecting product delivery and quality. This may lead to not meeting customer standards, resulting in additional costs, potential legal actions, damaged reputation, stakeholder mistrust, and reduced sales.	Implementing sustainable practices in the supply chain can reduce disruption, advance supply chain resilience, and benefit the company.	<ol style="list-style-type: none"> 1. Diversify suppliers and establish strong relationships with local vendors. 2. Implement supply chain transparency initiatives to monitor sustainability practices.
Energy Management 	Rising energy costs leading to increase operational expenses. Stakeholder pressure, including customers, investors, and regulators, to transition to low-carbon energy.	Cost savings through energy efficiency initiatives and renewable energy adoption. Enhancing investor confidence and securing green financing or ESG-linked investment opportunities.	<ol style="list-style-type: none"> 1. Implement energy-saving initiatives and transition to renewable energy sources. 2. Engage employees and stakeholders in energy-saving initiatives and create a culture of sustainability within the organisation.
Water Management 	Water scarcity or supply disruptions leading to operational downtime. Increased water costs due to regulatory changes or scarcity.	Cost savings through water efficiency, recycling, and reuse. Strengthening community relationships through responsible water use.	<ol style="list-style-type: none"> 1. Implement water-efficient practices on construction sites, such as using low-flow fixtures in temporary facilities and optimizing water use in construction processes.

SUSTAINABILITY STATEMENT

Material Matters	Risks	Opportunities	Sustainability strategies
Waste Management 	Excessive waste generation leading to higher disposal costs and landfill use. Reputational damage due to irresponsible waste management practices, especially in environmentally sensitive areas.	Cost savings from recycling, reusing, and repurposing materials. Recycling and reusing materials on-site can reduce the need for new materials and lower waste disposal costs. Improve community relationships by minimizing the visual and environmental impact of construction waste.	<ol style="list-style-type: none"> 1. Implement a waste hierarchy approach: prioritise reducing, reusing, and recycling construction waste over disposal. 2. Implement a zero-waste program to minimize landfill contributions.
Environmental Compliance 	Regulatory penalties for non-compliance with air quality and emission standards. Negative environmental impacts, including greenhouse gas (GHG) emissions and local air pollution.	Cost savings through energy efficiency, reducing fuel consumption, and cutting emissions. Access to government incentives for reducing emissions and adopting cleaner technologies.	<ol style="list-style-type: none"> 1. Monitor and track emissions on-site using advanced monitoring tools and set emission reduction targets. 2. Engage with stakeholders to ensure transparency in environmental practices.
Workforce Diversity 	Lack of diversity can lead to groupthink, limiting innovation and problem-solving. Legal and compliance risks related to discrimination or lack of equal opportunities.	Improved innovation and creativity through diverse perspectives. Increased employee engagement and retention due to a more inclusive work culture.	<ol style="list-style-type: none"> 1. Implement targeted recruitment programs to attract women, minorities, and underrepresented groups into construction roles. 2. Establish diversity and inclusion (D&I) policies, including anti-discrimination policies, and ensure they are integrated into company culture.
Occupational Safety and Health 	Workplace accidents, injuries, and fatalities can lead to legal liabilities and project delays. Non-compliance with safety regulations can result in fines, legal action, and shutdowns.	Enhanced productivity and project efficiency through a safe working environment. Reduce costs by preventing accidents and minimizing workers' compensation claims.	<ol style="list-style-type: none"> 1. Implement a comprehensive OSH management system that includes regular risk assessments, incident reporting, and safety audits. 2. Develop and enforce clear safety policies and procedures.
Employee Welfare 	Poor welfare programs can lead to low morale, decreased productivity, and high turnover.	Enhance employee satisfaction and loyalty through comprehensive welfare programs.	<ol style="list-style-type: none"> 1. Implement comprehensive health and wellness programs, including access to medical care, mental health support, and stress management resources.
Employee Training 	Skills gaps and underqualified workers can lead to poor project quality, delays, and higher costs.	Improve workforce competency and productivity through continuous training and upskilling.	<ol style="list-style-type: none"> 1. Implement structured onboarding programs to ensure all new employees are familiar with safety protocols, job expectations, and company procedures.

SUSTAINABILITY STATEMENT

Material Matters	Risks	Opportunities	Sustainability strategies
Community Engagement 	Legal and regulatory challenges arising from inadequate community engagement.	Enhance project sustainability by integrating community feedback into project planning and execution.	<ol style="list-style-type: none"> 1. Develop partnerships with local organisations for community development initiatives. 2. Create volunteer programs that encourage employee participation in local events.
Corporate Governance 	Failure to comply with legal and regulatory requirements can lead to legal actions, fines, reputational damage, and loss of trust from stakeholders.	Implementing strong governance practices builds trust among stakeholders, including investors, customers, employees, and the community. This enhances the company's reputation as a responsible and ethical organisation.	<ol style="list-style-type: none"> 1. Ensure ethical business conducts and uphold strong corporate governance practices.
Regulatory Compliance 	Non-compliance with regulations and laws can result in legal actions, fines, and reputational damage among stakeholders, leading to loss of business opportunities and reduced sales.	Compliance with regulations and laws can lead to increased customer trust and satisfaction, strengthened reputation, and reduced risk of legal actions and fines.	<ol style="list-style-type: none"> 1. Establish and maintain a compliance program to ensure compliance with relevant regulations and laws. 2. Implement training and development programs for employees to ensure they are aware of and understand the regulations and laws relevant to their job functions.

ENVIRONMENT SUSTAINABILITY



Energy efficiency management

Promoting environmental sustainability hinges on the effective use and management of energy efficiency. In alignment with the Malaysian Government's vision for a balanced and sustainable energy future, our Group has actively contributed to this initiative by adopting power-saving practices in our daily operations. This includes the procurement and utilisation of energy-efficient equipment, as well as encouraging the use of energy-saving modes across all devices.

As part of our commitment to enhancing energy efficiency, we have taken proactive steps to invest in renewable energy sources. One such initiative involves the installation of grid-connected photovoltaic systems at our office. This solar energy project is projected to generate significant savings, reducing electricity consumption by approximately 25,146 kilowatt-hours annually. Through these efforts, we aim to reduce our carbon footprint and support the transition to a more sustainable energy future.

SUSTAINABILITY STATEMENT

Waste management

Our Group is actively developing strategies for responsible waste management. These strategies focus on promoting digitalisation to reduce waste generation and optimising material usage through recycling and repurposing initiatives. By integrating innovative technologies and sustainable practices, we aim to minimise our environmental footprint and contribute to a circular economy.

Currently, we collaborate with locally sourced, licensed waste management vendors to ensure efficient and environmentally sound waste disposal and resource management processes. To facilitate proper waste segregation, designated bins and containers are strategically placed across our facilities. Regular checks are conducted to ensure compliance with waste management protocols and to identify opportunities for further improvement.



Through these efforts, we are committed to fostering a culture of sustainability, reducing waste, and enhancing resource efficiency across our operations.

SOCIAL



Employment diversity and equal labour practices

TechStore is committed to advancing the interests of all stakeholders, particularly our valued employees, by championing gender and cultural diversity and fostering an inclusive workplace culture. This commitment reflected in our celebration and embrace of diverse genders and cultural backgrounds across our Board members and workforce. We are unwavering in our efforts to cultivate an environment where every individual feels valued, respected, and empowered to share their unique perspectives and talents.

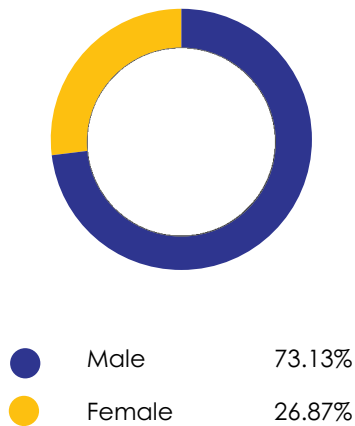
Furthermore, our commitment to fairness extends to ensuring equitable wages, prohibiting discrimination, and upholding the labour rights of all employees. We adhere to minimum wage regulations and consistently benchmark against market standards to provide competitive and fair compensation. Through these practices, we strive to create a workplace that prioritises equality, inclusivity, and respect for all.



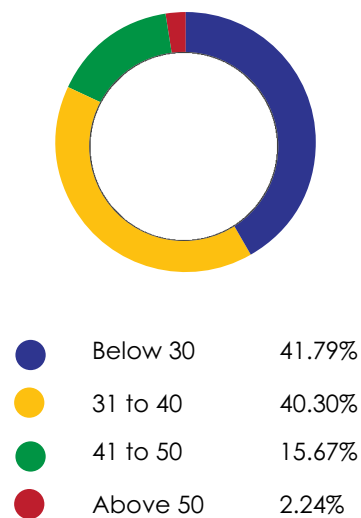
SUSTAINABILITY STATEMENT

As of 31 December 2024, our Group has a total workforce of 134 employees, comprising 132 local employees and 2 foreign employees.

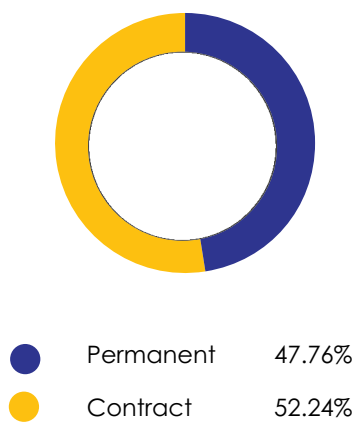
Employees by gender



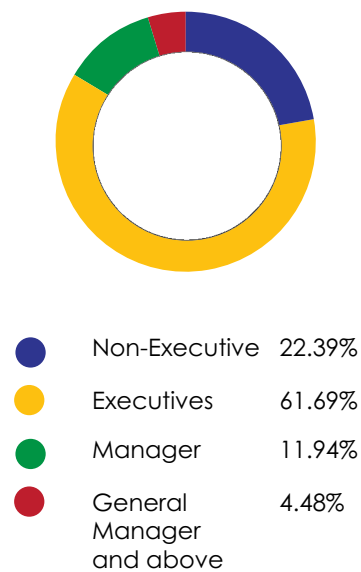
Employees by age



Employees by employment type



Employees category



None of our employees belong to any labour union. In the past three (3) years, there has not been any major industrial dispute involving our employees.

SUSTAINABILITY STATEMENT

Safety and healthy workplace

TechStore is committed to ensuring a safe and healthy workplace for all employees. This commitment is upheld by our Site Safety Supervisor and Safety and Health Officer, who rigorously enforce compliance with Occupational Safety and Health Act 1994 Guidelines, in alignment with current Malaysian laws, regulations, and industry standards.

To support this, we equip all relevant personnel with the necessary safety tools, comprehensive training, essential information, and appropriate personal protective equipment. These efforts highlight our unwavering focus on employee well-being and our efforts to foster a secure and supportive work environment.

Our comprehensive approach to safety is detailed in our Safety Management Plan, which outlines all initiatives and protocols. Furthermore, our compliance with the ISO 45001:2018 standard for Occupational Health and Safety Management demonstrates our commitment to maintaining the highest levels of safety across all operations. Through these efforts, we prioritise the health, safety, and welfare of our workforce.



Community engagement

TechStore is committed to corporate social responsibility (CSR), implementing initiatives designed to address community needs, create employment opportunities, and support local development projects. We actively collaborate with local communities through philanthropic efforts and volunteer programs, such as contributing to festive celebrations and supporting cancer research initiatives.

Looking ahead, we have developed strategic plans to expand our community involvement by promoting educational and training programs. These efforts reflect our commitment to making a positive and lasting impact on the communities we serve, while fostering sustainable growth and empowerment.



Supply chain management

TechStore places a strong emphasis on delivering high-quality solutions, which is achieved through responsible sourcing practices for IT hardware, software, installation components, devices, and maintenance services. We maintain a rigorous process that involves a comprehensive evaluation of potential new suppliers and subcontractors before onboarding, complemented by annual performance reviews to ensure continuous improvement and alignment with our standards.

To further enhance our commitment to sustainable supply chain management, we refer to Sustainability Reporting Guide 3rd Edition and have made a firm commitment to increasing collaboration with local suppliers and subcontractors. This approach not only supports local economies but also reinforces our commitment to sustainability and ethical business practices.

SUSTAINABILITY STATEMENT

GOVERNANCE



Corporate governance compliance

TechStore is steadily integrating the principles and practices of the Malaysian Code on Corporate Governance ("MCCG") into our operations, where applicable. As part of our commitment to conducting business with integrity, we have implemented a zero-tolerance policy against bribery and corruption in all our business dealings. To mitigate corporate liability risks, we have established robust policies and procedures, including the formalisation and implementation of a Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy, Personal Data Protection Act Policy, and a comprehensive Code of Ethics.

Further reinforcing our commitment to ethical practices, we are also certified under MS ISO 37001:2016, which underscores our commitment to maintaining an effective Anti-Bribery Management System. Looking ahead, our Group will continue to align with relevant and applicable corporate governance best practices as outlined in the MCCG, ensuring transparency, accountability, and ethical conduct across all levels of our organisation.

Risk management

In alignment with our Group's Risk Management Framework, our management consistently updates our Group's Risk Register to identify and document current strategic, operational, financial, and regulatory risks. We regularly monitor and review mitigation plans and actions to ensure that identified risks are managed within acceptable thresholds, enabling us to achieve our organisational objectives effectively.

Our Group is dedicated to maintaining transparency in reporting risk exposure and the measures taken to mitigate these risks, with a particular focus on addressing the unique challenges inherent to our industry. This proactive approach underscores our commitment to robust risk management and sustainable business practices.

Board composition

TechStore is committed to fostering diversity and inclusion at our Board level, ensuring a wide range of perspectives and expertise to drive informed decision-making. Our Board consists of six (6) accomplished professionals with specialised backgrounds in engineering, telecommunications, legal affairs, manufacturing, general business management, accountancy, and finance. This diverse mix of skills and experiences enriches Board discussions, strengthens governance practices, and promotes innovative thinking across all aspects of our operations.

To further uphold the integrity and independence of our Board, we maintain a balanced structure with four (4) Independent Directors and two (2) Executive Directors. Notably, three (3) of our Board members are women, achieving the 50.0% female representation target and reflecting our dedication to gender diversity and inclusive leadership. This commitment ensures that our governance framework remains robust, forward-thinking, and aligned with best practices.

Integrity in corporate reporting

TechStore's financial statements are audited by our independent auditors to ensure they accurately and fairly represent the financial positions of all entities within our Group. These audits provide stakeholders with confidence in the transparency and reliability of our financial reporting.

In addition, we conduct regular meetings to review and approve the audited financial statements, evaluate our Group's performance and future prospects, and address other critical matters. These discussions enable informed decision-making and strategic planning, ensuring the continued growth and stability of our organisation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of TechStore is committed to upholding high standards of corporate governance to safeguard shareholders' interests and enhance the Group's long-term value. The Board acknowledges that effective corporate governance is essential for business growth, accountability and transparency. It ensures that the Group operates with integrity and professionalism, thereby safeguarding and enhancing both the Group's business and shareholders' value, as well as maintaining the financial position of the Group.

The Board is pleased to present this Corporate Governance Overview Statement ("**CG Statement**" or "**Statement**") prepared in accordance with Rule 15.25 of the AMLR. This Statement outlines how the Company has applied the three (3) principles set out in the MCCG for the FYE 2024.

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

As the Company was only listed on 18 February 2025, it may not have fully applied all the principles and practices outlined in the MCCG in accordance with Rule 15.25 of the AMLR of Bursa Securities. As such, certain practices and processes are still in the process of being formalised.

This Statement, which was approved by the Board, should be read in conjunction with the Corporate Governance Report 2024 ("**CG Report**"), which provides detailed explanations of the Company's application of each CG practices. Any departures from the practices are explained with alternative practices adopted by the Company to achieve the intended outcomes as recommended by the MCCG.

The CG Report is available on the Company's website at <http://www.techstore.com.my> and also through an announcement on the Bursa Securities website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1. Board Duties and Responsibilities

The Board assumes full responsibility for the Group's performance and provides leadership to achieve both short and long-term objectives. It is responsible for setting corporate strategies for growth, business development, and overseeing sustainability governance within the Group. The Board delegates the Group's day-to-day operations to the Managing Director, Executive Director, and key senior management, who manage the business in line with the strategies and policies approved by the Board.

The roles and responsibilities of the Board are summarised as follows:

- to provide leadership and oversee the overall conduct of the Group's businesses to ensure that the businesses are being properly managed;
- to review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- to review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group's reputation, and the employees and assets and to ensure compliance with applicable laws and regulations;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**PART I – BOARD RESPONSIBILITIES (CONT'D)****1. Board Duties and Responsibilities (Cont'd)**

The roles and responsibilities of the Board are summarised as follows: (Cont'd)

- (d) to ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
- (e) to review and approve the annual business plans, financial statements and annual reports;
- (f) to monitor the relationship between the Group and the management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for the Group; and
- (g) to appoint the Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board committees and deliberate on the recommendations thereon.

Board Charter

The Board is guided by a Board Charter that defines its roles and responsibilities, the principles for Board's operation, Board's evaluation and remuneration, code of ethics and conduct, and matters reserved for the Board. The Board Charter is available on the Company's website at <http://www.techstore.com.my>.

The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators, and remains consistent with the policies and procedures of the Board.

2. Board Committees

For the Board to discharge its functions and responsibilities orderly and effectively, the Board has delegated specific authorities and responsibilities to the Board Committees as follows:

- (a) ARMC;
- (b) Nomination Committee ("NC"); and
- (c) Remuneration Committee ("RC").

The functions of each Board Committees are set out in the Terms of Reference of ARMC, NC and RC, which is available on the Company's website at <http://www.techstore.com.my>.

3. The Chairman and Managing Director

The Chairman and the Managing Director are held by two separate individuals to ensure that their roles are clearly defined and distinct. These roles are formally documented in the Company's Board Charter to maintain a balance of power and authority between the Chairman and the Group Managing Director.

Dato' Ab Rahim bin Abu Bakar, the Independent Non-Executive Chairman of the Board, provides leadership role in the conduct of the Board meetings, ensuring that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted. He is not a member of the ARMC, NC and RC, in accordance with the recommendation of the MCCG.

While Tan Hock Lim, the Managing Director of the Group, is responsible for overseeing the day-to-day operations of the Group within the authorities as delegated by the Board. He is also responsible for the Group's business performance and manages the Group's operations according to the strategies and policies approved by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

4. Company Secretaries

The Board is supported by two (2) qualified Company Secretaries, namely Mr. Tan Tong Lang and Ms. Thien Lee Mee. Mr. Tan Tong Lang is an associate member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") while Ms. Thien Lee Mee is a Licensed Secretary under Suruhanjaya Syarikat Malaysia ("SSM"). They are qualified to act as Company Secretaries pursuant to Section 235(2) of the Companies Act 2016.

The Company Secretaries attended all Board and Board Committee meetings and facilitated discussions among the Non-Executive Directors ("NEDs"), with the assistance of the Company Secretaries' support team where necessary. Their presence ensured all meetings, and the NED discussions were properly convened, and all deliberations and decisions were accurately minuted and recorded. The Company Secretaries are responsible to provide support and guidance to the Board on all secretarial matters of the Company, in particular the compliance of the AMLR of Bursa Securities as well as to inform and keep the Board updated on the latest enhancements in corporate governance, changes in the legal regulatory framework, new statutory requirements and best practices.

The Company Secretaries provide guidance to the Board on the contents and timing of material announcements to be made to Bursa and facilitate the annual Board Effectiveness Assessment.

The roles and responsibilities of the Company Secretaries are outlined in the Company's Board Charter, which is available on the Company's website at <http://www.techstore.com.my>.

5. Group Policies

The Board is committed to maintaining the high standards of corporate ethics and integrity. To strengthen our governance framework and prevent potential conflicts, we have implemented the following policies as part of our robust control mechanisms:

(a) Board Charter

The board charter sets out the role, responsibilities, structure and processes of the Board of TechStore to ensure that the Board's practices are consistent with and reflect the Board's commitment to best practices as prescribed in the corporate governance.

It also further defines specific responsibilities of the Board to enhance coordination and communication between the Management and Board and, more specifically, to clarify the accountability of both the Board and Management for the benefit of the Company and its shareholders. In addition, it will assist the Board in the assessment of its performance and its directors.

(b) Code of Ethics Policy

This records the Group's commitment to conduct its business operations in an efficient, effective and fair manner. It sets out the principles to guide standards of behaviour and business conduct to assist all employees of the Group to uphold the highest integrity and efficiency in performing their daily responsibilities on behalf of the Group.

(c) Anti-Bribery and Anti-Corruption Policy

Anti-Bribery and Anti-Corruption Policy is to establish controls to ensure compliance with all applicable anti-bribery and corruption regulations, and to ensure that the Group's business is conducted in a socially responsible manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**PART I – BOARD RESPONSIBILITIES (CONT'D)****5. Group Policies (Cont'd)****(d) Directors' Fit and Proper Policy**

The Directors' Fit and Proper Policy is to guide the NC and the Board in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election in the Group. It is to ensure that Directors must possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Group and its stakeholders.

(e) Whistleblowing Policy

The Whistleblowing Policy is to establish the commitment of the Group to integrity and ethical behaviour by helping to foster and maintain an environment where employees who have concerns about suspected serious misconduct or any breach or suspected breach of law or regulations that may adversely impact the Group, to come forward and express these concerns without fear of punishment or unfair treatment.

The Group conducts business based on the principles of fairness, honesty, openness, decency, integrity and respect. The Group supports and encourages its stakeholders to report and disclose improper or illegal activities, and the Group will undertake to fully investigate such reports and disclosures.

(f) Directors' Remuneration Policy

The Directors' Remuneration Policy is to ensure the remuneration commensurate with the relevant experience and expertise, reflecting the level of responsibilities undertaken and contributions made by respective Directors to manage the business effectively. This Policy is applicable to Executive Directors and NED of the Group.

(g) Succession Planning for Board of Directors and Senior Management Policy

The succession planning is a measure to ensure that investors are not negatively impacted due to sudden or unplanned gaps in leadership. The succession planning programme is aimed as follows:

- (a) to identify and nominating suitable candidates to fill up the vacancy arising in the Board and Senior Management lineup of the Group as needed;
- (b) to build a leadership pipeline or talent pool to ensure the leadership continuity; and
- (c) to develop career paths for employees to facilitate the Group's ability to recruit and retain top-performing talent.

(h) Sustainability Policy

The sustainability policy acts as the overarching policy framework for the Group's sustainability commitments. The sustainability policy aims to provide guidance and create awareness among the Group's stakeholder of the Group's commitment and its strategic direction on sustainability.

The Board Charter, Code of Ethics Policy, Anti-Bribery and Anti-Corruption Policy, Directors' Fit and Proper Policy, Whistleblowing Policy, Directors' Remuneration Policy, Succession Planning for Board of Directors and Senior Management Policy, and Sustainability Policy are available on the Company's website at <http://www.techstore.com.my> and are subject to periodical review as and when necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION

6. Board Composition and Diversity

The Board is committed to ensuring that its composition not only embraces diversity, as recommended by the MCCG, but also maintains the right balance of skills and expertise to support the Group's goals and business objectives.

The current Board consists of six (6) members, comprising one (1) Independent Non-Executive Chairman, one (1) Managing Director, one (1) Executive Director and three (3) Independent NEDs. The Company has complied with the Rule 15.02 of the AMLR of Bursa Securities of having at least two (2) or one third (1/3) of the Board members as independent directors and at least one (1) female Director. The Board also comprises of individuals with a broad range of backgrounds, skills, experience, expertise and perspectives. This diversity is a key driver for the Board to discharge its duties professionally and effectively, uphold good governance standard in their conduct and that of the Board.

The Company is also in line with Practice 5.2 of the MCCG where at least half of the Board are Independent Directors. In the event of any vacancy of the Board resulting in non-compliance with Rules 15.02 of the AMLR, the Company will fill the vacancy within three (3) months.

Independent Non-Executive Directors	Executive Directors
<ul style="list-style-type: none"> Dato' AB Rahim bin Abu Bakar (Independent Non-Executive Chairman) Datin Shafinaz binti Abdul Rani (Independent Non-Executive Director) Yap Choo Cheng (Independent Non-Executive Director) Lim Su May (Independent Non-Executive Director) 	<ul style="list-style-type: none"> Tan Hock Lim (Managing Director) Mohd Fadzil bin Mohd Daud (Executive Director)

Additionally, the Board includes three (3) female members, representing 50% of its total composition. Their presence enhances gender diversity, bringing valuable perspectives, diverse approaches, and varied leadership styles to Board discussions.

The Directors are of the opinion that the current Board size and composition are optimal and are satisfied that it is appropriate for the scope and nature of the Group's business and operations as well as for facilitating effective discussions and decision making. Nevertheless, the composition and size of the Board are also reviewed periodically to ensure continued appropriateness. No individual or group dominates the Board's decision-making process.

7. Re-Election of Directors

In accordance with the Company's Constitution and in compliance with the AMLR of Bursa Securities, a Director shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Pursuant to Clause 106(1) of the Company's Constitution, an election of Directors shall take place each year at the Annual General Meeting ("AGM") of the Company, where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election. The Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall remain in office until the conclusion of the meeting at which they retire.

Upon the recommendation of the NC and the Board, the Directors who are standing for re-election at the forthcoming AGM of the Company pursuant to Clause 106(1) of the Company's Constitution are Tan Hock Lim and Datin Shafinaz binti Abdul Rani.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

8. Meeting Attendance of the Board

According to the Board Charter, the Board shall meet at least four (4) times in a financial year, although additional meetings may be called at any time at the Chairman discretion. However, the Company is newly listed on ACE Market of Bursa Securities on 18 February 2025, the Board conducted a total of one (1) Board meeting on 24 June 2024 during the FYE 2024.

The Board is satisfied with the commitment demonstrated by the Directors in fulfilling their roles and responsibilities. The number of meetings attended by Directors during the FYE 2024 and up to 25 April 2025 are as follows:

Directors	No. of Meetings Attended	Percentage of Attendance
Dato' Ab Rahim bin Abu Bakar	5/5	100%
Tan Hock Lim	5/5	100%
Mohd Fadzil bin Mohd Daud	5/5	100%
Datin Shafinaz binti Abdul Rani	5/5	100%
Yap Choo Cheng	5/5	100%
Lim Su May	5/5	100%

The Board members are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment. The directorships held by any Board member at any time shall not exceed five (5) listed corporations in Malaysia.

9. Tenure of Independent Directors

In accordance with the Board Charter, the tenure of an independent director should not exceed a term limit of nine (9) years. If the Board intends to retain an independent director for nine (9) years but less than twelve (12) years, it should provide justification and seek the shareholders' approval by way of two (2) tier voting at the general meeting of the Company.

The tenure of an Independent Director should not exceed a cumulative term of twelve (12) years. Currently, none of the Independent Director of the Company whose tenure has exceeded a cumulative term of nine (9) years.

10. Nomination Committee

NC is to establish a documented, formal and transparent procedure to support and advise the Board in fulfilling their responsibilities to shareholders in ensuring the Board comprised of the right group of people, with an appropriate mix of skills, knowledge, experience and independent elements that fit the Company's objectives and strategic goals.

The NC comprised exclusively of Independent NEDs as follows: -

Name	Designation	Directorship
Lim Su May	Chairperson	Independent Non-Executive Director
Yap Choo Cheng	Member	Independent Non-Executive Director
Datin Shafinaz binti Abdul Rani	Member	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

10. Nomination Committee (Cont'd)

As the Company was only listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 February 2025, the NC did not undertake any activities during FYE 2024 and up to 25 April 2025.

Terms of Reference of the NC
The Terms of Reference of the NC is available on the Company's website at http://www.techstore.com.my .

The NC evaluates the performance and effectiveness of the Board, Board Committees, and individual Directors annually. As the Company is newly listed on ACE Market on 18 February 2025, no NC meeting was held during the FYE 2024. Following FYE 2024, the NC convened one (1) meeting up to 25 April 2025. Nevertheless, following the Company's listing on ACE Market, the NC has undertaken the evaluation through physical evaluation forms distributed to all Board members. The evaluation focused on the following criteria:

- (a) board composition;
- (b) board committee composition; and
- (c) effectiveness of the board and board committee.

The Board and NC will adopt a comprehensive evaluation form for the Board and Board Committees to assess their performance based on the criteria stated in the Terms of Reference of the NC, as well as factors in the Directors' Fit and Proper Policy. The evaluation will also assess the quality and integrity of Directors to ensure that the Board maintains an appropriate mix of skills and experience.

Following the annual assessment conducted, the NC concluded that the Directors had satisfactorily discharged their duties and expressed satisfaction with the performance of the Board and its Committees. Consequently, the NC recommended the re-election of the retiring Directors at the upcoming AGM. All assessments and evaluations were properly documented.

The Board also recognises the importance of independence and objectivity in its decision-making process. Through the NC, the Board has assessed the independence of its Independent NEDs based on the criteria set out in the AMLR of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

11. Continuing Professional Development

The Board recognises the importance of ongoing education and training programs to effectively fulfil its responsibilities and stay informed about regulatory changes and their impact on the Group.

Details of seminars, conferences or training programmes attended by the Board members during the FYE 2024 are listed below:

Directors	Seminars/Workshops/Training/Programmes
Dato' Ab Rahim bin Abu Bakar	Mandatory Accreditation Programme I
Tan Hock Lim	Mandatory Accreditation Programme I
Mohd Fadzil bin Mohd Daud	Mandatory Accreditation Programme I
Datin Shafinaz binti Abdul Rani	Mandatory Accreditation Programme I
Yap Choo Cheng	<ul style="list-style-type: none"> ISO Internal Audit System E-Invoice: Latest Updates and Implementation Strategies Tax Seminar on Budget 2025 Mandatory Accreditation Programme I
Lim Su May	<ul style="list-style-type: none"> BIMB Securities Virtual Corporate Day (Economics) - (Topic 1) Industrial Policy and Economic Development: Can the NIMP-4 help Malaysia Break Out from the Middle Income Trap? (Topic 2) Future of Manufacturing for Malaysia and its Implication for Growth Prospects BIMB Securities Virtual Corporate Day 2024 – Strengthening Ringgit Against Greenback & Measures undertaken by them to deal with the volatility of Ringgit against US Dollar How to Detect Financial Warnings in Companies Wonders of Structured Warrants Fundamentals You Must Know About Investment Notes Mid-Year Outlook 2024: Strong Economy, Fragile World Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Enhanced Sustainability Reporting Framework and Conflict of Interest Understanding of Bond Market Building Your Model Portfolio with Equity and Debt Asset Classes Beneficial Ownership Reporting Charging Forward: An Investor's Guide to the EV Market Landscape Bond Market Outlook 2H 2024 - The Road Ahead for Fixed Income 9th Selangor Smart City & Digital Economy Convention (SDEC 2024) Digesting IPOs – From A to Z MARC360 Reflections: Analyses of Malaysia's Budget 2025 and Post-Budget Debates SME CEO Forum 2024 – Industrial Renaissance Managing Misconduct in the Workplace Smart Nation Expo 2024 MARC360 Overview: MARC Economic and Corporate Credit Outlook 2025 Securities Industry Development Corporation Malaysia Workshop on IFRS Sustainability Standards

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION

12. Remuneration Committee

The RC is to assist the Board in fulfilling its responsibility including reviewing and recommending matters relating to the remuneration of the Board and key senior management, which comprise of compensation, bonuses, incentives and benefits.

The RC comprised exclusively of Independent NEDs as follows:

Name	Designation	Directorship
Datin Shafinaz binti Abdul Rani	Chairperson	Independent Non-Executive Director
Yap Choo Cheng	Member	Independent Non-Executive Director
Lim Su May	Member	Independent Non-Executive Director

For the FYE 2024 and up to 25 April 2025, the RC had undertaken the following activities in discharging its duties:

- reviewed and recommended the payment of directors' fees and other benefits to the Independent NEDs of the Company to the Board to put forward to the shareholders for approval;
- reviewed and recommended the remuneration packages for Managing Director and Key Senior Management for the Board's approval; and
- reviewed and recommended the revised director's fee of the Independent Non-Executive Chairman for the Board's approval.

These actions reflect the RC's responsibility to ensure that the remuneration policies align with the Company's performance and strategic objectives while maintaining fairness and transparency.

Terms of Reference of the RC

The Terms of Reference of the RC is available on the Company's website at <http://www.techstore.com.my>.

13. Remuneration of Directors and Key Senior Management

The details of the Directors' remuneration of the Company and the Group on the named basis for the FYE 2024 are disclosed as follows:

Directors	Directors' fees RM	Salaries RM	Bonuses RM	Other emolument RM	Benefits-in-kind RM	Total RM
Dato' Ab Rahim bin Abu Bakar	40,000	-	-	-	-	40,000
Tan Hock Lim	-	827,497	-	-	-	827,497
Mohd Fadzil bin Mohd Daud	-	295,790	-	-	-	295,790
Datin Shafinaz binti Abdul Rani	40,000	-	-	-	-	40,000
Yap Choo Cheng	40,000	-	-	-	-	40,000
Lim Su May	40,000	-	-	-	-	40,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**PART III – REMUNERATION (CONT'D)****13. Remuneration of Directors and Key Senior Management (Cont'd)**

Regarding the disclosure of key senior management's remuneration, the Company believes that disclosing individual names would not be in its best interest, given the competitive nature of the human resource market. Maintaining confidentiality in remuneration matters is considered important.

As such, the remuneration of key senior management is disclosed on an aggregate basis in bands of RM50,000. The details of their remuneration for FYE 2024, presented on an unnamed basis, are as follows:

Range of Remuneration (RM)	Number of Key Senior Management
RM50,001 to RM100,000	-
RM100,001 to RM150,000	2
RM150,001 to RM200,000	1
RM200,001 to RM250,000	-
RM300,001 to RM350,000	1
RM450,001 to RM500,000	1

The Board will ensure that the remuneration package remains competitive and appealing to attract, retain and incentivise the Senior Management.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**PART I – AUDIT AND RISK MANAGEMENT COMMITTEE****14. Effective and Independent ARMC**

The ARMC is being chaired by the Independent NED, Ms. Yap Choo Cheng. She is not the Chairperson of the Board. The ARMC is to establish a documented, formal and transparent procedure to assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations of the Group.

The ARMC comprised exclusively of Independent NEDs as follows:

Name	Designation	Directorship
Yap Choo Cheng	Chairperson	Independent Non-Executive Director
Datin Shafinaz binti Abdul Rani	Member	Independent Non-Executive Director
Lim Su May	Member	Independent Non-Executive Director

The ARMC has adopted a policy that no former audit partner shall be appointed as a member of the ARMC before observing a cooling-off period of at least three (3) years. Currently, no former audit partner has been appointed by the Board or employed by the Group.

The ARMC reviews the performance and remuneration of the External Auditors before recommending their reappointment at the AGM of the Company. Additionally, the ARMC will convene meetings with the External Auditors without the presence of the Managing Director, Executive Director and management of the Group as and when necessary.

Based on the ARMC's assessment of the External Auditors, Crowe Malaysia PLT, the Board is satisfied with their independence, quality of service and the adequacy of resources provided by the External Auditors in carrying out the annual audit for the FYE 2024. In view thereof, the Board has decided to recommend the re-appointment of Crowe Malaysia PLT as the External Auditors for approval by shareholders at the forthcoming AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**PART I – AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)****14. Effective and Independent ARMC (Cont'd)**

The details of the activities carried out by the ARMC for the FYE 2024 are set out in the ARMC Report in the Annual Report.

Terms of Reference of the ARMC

The Terms of Reference of the ARMC is available on the Company's website at <http://www.techstore.com.my>.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**15. Effective Risk Management and Internal Control Framework**

The Board recognise that the effective oversight review of risk management and internal control is essential for the Group to achieve its corporate goals and objectives. This oversight ensures a balanced approach to safeguarding stakeholder interests while protecting the Group's assets and shareholders' investments. To fulfil this commitment, the Group has established an Enterprise Risk Management ("ERM") framework that outlines five (5) key risk management procedures: identify, analyse, respond, monitor, and report potential risks or structural weaknesses that could hinder the Group's business objectives.

Additionally, the Board has established several internal control systems, including company policies and standard operating procedures ("SOPs"), which help ensure the seamless functioning of business operations, aligning with principles of sound governance.

The ARMC assists the Board in overseeing the risk management framework and reviews the adequacy and effectiveness of the system of risk management and internal control of the Group.

The Statement on Risk Management and Internal Control of the Group is set out in the Annual Report which provides an overview of the state of risk management and internal controls within the Group.

16. Internal Audit Function

The Group was successfully listed on 18 February 2025, as a result, no internal audit review was carried out for the FYE 2024. As part of our Group's on-going commitment to strengthen our internal control measures, the Board had on 23 April 2025 appointed a professional service firm, Sterling Business Alignment Consulting Sdn Bhd as an outsourced Internal Auditor, to support the ARMC in evaluating the adequacy and effectiveness of the Group's risk management and internal control systems. The Internal Auditor is independent and free from any relationships or conflict of interest within the Group, this allows them to perform their internal audit review objectively, impartially, proficiently and with due professional care. The Internal Auditor will conduct internal audit reviews periodically based on the approved internal audit plan, and they will report directly to the ARMC.

To facilitate the internal audit process, the Internal Auditor is granted comprehensive and unrestricted access to all information and resources within the Group. This ensures that they have sufficient information and resources to conduct internal audits seamlessly and effectively. Upon completion of each internal audit review, the Internal Auditor will present the audit findings, potential risks and implications, as well as recommend corrective actions to the ARMC. Follow-up audits will also be conducted by the Internal Auditor to ensure the Management implements the agreed upon recommended corrective action plans within the agreed timeframe.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**PART I – COMMUNICATION WITH STAKEHOLDERS**

The Board acknowledges the importance of transparency and accountability to its shareholders and is committed to ensuring continuous communication through various channels. This approach allows the Board and Management to share timely, comprehensive, and accurate information with investors, shareholders, the financial community, and the public. Such communication ensures that all stakeholders are kept informed and are able to make well-informed decisions regarding their interests in the Group.

Stakeholders can stay informed about the Group's business and operational developments through multiple communication platforms, including the Company's website <http://www.techstore.com.my>, announcements to Bursa Securities, circulars, annual reports, general meetings, and press releases.

PART II – CONDUCT OF GENERAL MEETINGS

AGM serve as a principal platform for shareholders to engage in dialogue with the Board and key senior management annually. Following the Company's recent listing on 18 February 2025, the Company's second AGM will be scheduled on 24 June 2025. In alignment with the MCGG, the notice for the upcoming AGM will be distributed to shareholders at least twenty-eight (28) days in advance. This provides shareholders ample time to review the Annual Report and make necessary arrangements for attendance and voting. The AGM notice, detailing the agenda and business to be addressed, will also be published in a prominent local newspaper. To ensure transparency, the Board will include comprehensive explanations for each item of special business, clarifying the implications of proposed resolutions.

In compliance with Rule 8.31A of the AMLR of Bursa Securities, all resolutions presented at the AGM will be voted on by poll. An independent scrutineer will be appointed to validate the voting process, ensuring accuracy and fairness. The results of the general meeting will be announced to Bursa Securities on the same day, while the minutes of the meeting will be made available on the Company's website within thirty (30) business days following the event.

Barring any unforeseen circumstances, all Directors will attend the forthcoming AGM, providing shareholders with the opportunity to address questions and concerns directly to the Board. This commitment underscores our dedication to fostering transparency, accountability, and active shareholder.

1. COMPLIANCE STATEMENT

Saved as disclosed above, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCGG and all other applicable laws, rules and regulations where applicable and appropriate.

This Corporate Governance Overview Statement was tabled and approved by the Board on 25 April 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

OBJECTIVES

The ARMC assists the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, the system of risk management and internal control, reinforcing the independence of the Group's External Auditors, evaluating the quality of the Internal Audit function, and the process of monitoring compliance with laws and regulations of the Group.

The Board is pleased to present the ARMC Report for the FYE 2024, prepared in compliance with Rule 15.15 of the AMLR of Bursa Securities.

COMPOSITION AND MEETINGS

The ARMC consists of three (3) Board members, all of whom are Independent NEDs. The composition complies with Rules 15.09 and 15.10 of the AMLR of Bursa Securities and the Step-Up Practice 9.4 of MCCG.

The current composition and meeting attendance of the ARMC is as follows:

Designation	Name	Directorship	Meeting Attendance *
Chairperson	Yap Choo Cheng	Independent Non-Executive Director	3/3
Member	Datin Shafinaz binti Abdul Rani	Independent Non-Executive Director	3/3
Member	Lim Su May	Independent Non-Executive Director	3/3

* The meeting attendance of the members of the ARMC during FYE 2024 and up to 25 April 2025.

Guided by Rule 15.09(1)(c) of the AMLR and Practice 9.5 of the MCCG, the ARMC is led by Ms. Yap Choo Cheng, who is a member of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants. In addition, with reference to Rule 15.10 of the AMLR and Practice 9.1 of the MCCG, Ms. Yap Choo Cheng, as the Chairperson of the ARMC, is not the Chairman of the Board. This shall preserve the integrity and credibility of the Group's financial reporting and audit processes.

As the Company was only listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 February 2025, no ARMC meeting was conducted during FYE 2024. Following by the FYE 2024, the ARMC held three (3) meetings up to 25 April 2025.

Detailed minutes of each ARMC meeting were distributed to all the members of the Board. The Chairperson of the ARMC regularly briefs the Board on the proceedings of the ARMC.

TERM OF REFERENCES

To ensure an efficient discharge of responsibilities, the ARMC is guided by its Terms of Reference, detailing the composition, authority, duties and responsibilities of the ARMC. The said Term of Reference is made available on the Company's website at <http://www.techstore.com.my>.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY ACTIVITIES OF THE ARMC

In accordance with the Terms of Reference, the ARMC has carried out the following activities during the FYE 2024 and up to 25 April 2025:

Financial Reporting

- reviewed and ensured that the Group's financial reporting and disclosure requirements are in accordance with the applicable Malaysian Financial Reporting Standards ("MFRSS"), IFRS Accounting Standards ("IFRSs"), Companies Act 2016 ("Act") and AMLR; and
- reviewed the quarterly unaudited financial results and annual audited financial statements of the Group before recommending the same to the Board for approval and release to Bursa Securities.

External Audit

- reviewed the audit planning memorandum presented by the External Auditors and deliberated on matters including the audit plan, scope of work, engagement team, audit timeline, audit fees, areas of audit emphasis, key audit matters, accounting standards updates that affected financial reporting prior to the commencement of the annual audit and recommended the same to the Board for approval;
- reviewed the audit completion memorandum and discussed with the External Auditors the results of their audit, their comments on the significant audit findings, management letter and their evaluation of the internal controls and recommended the same to the Board for approval; and
- evaluated the effectiveness and performance of the External Auditors, by taking into the consideration of their independence, suitability, objectivity, competency and resources, and recommended to the Board for their re-appointment.

Risk Management and Internal Control

- reviewed the risk management and internal control framework, policies and processes; and
- discussed with the KSM, the material key risks affecting the Group, the mitigation plans and strategies implemented by Management.

Related Party Transactions ("RPT") and Conflict of Interest ("COI") and/or Potential COI

- reviewed the RPT and COI and/or potential COI that may arise within the Group.

Corporate Governance and Regulatory Compliance

- reviewed the ARMC Report and Statement on Risk Management and Internal Control prior to recommending to the Board's approval and inclusion in the Company's Annual Report.
- reviewed the sustainability policy prior to recommending to the Board's approval

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

In preparation for the listing of our Company on the ACE Market of Bursa Securities, we had engaged Eco Asia Governance Advisory Sdn Bhd as our Internal Control Review Consultant to review the adequacy and sufficiency of systems, procedures and controls of our Group. The review was carried out for the following specified key processes:

- Corporate governance;
- Risk management;
- Financial statements closing and reporting;
- Revenue, account receivables and collection;
- Purchases, account payables and payment;
- Payroll and human resource management;
- Inventory management;
- Fixed assets management;
- Related party transactions; and
- Anti-bribery and corruption.

The Group was successfully listed on 18 February 2025, as a result, no internal audit review was carried out for the FYE 2024. As part of our Group's on-going commitment to strengthen our internal control measures, our Internal Audit Function has been outsourced to Sterling Business Alignment Consulting Sdn Bhd on 23 April 2025 to provide internal audit services for the Group. The internal auditors are independent and free from any relationships or conflict of interest with our Group, ensuring that they can perform their internal audit review objectively, impartially, and with the highest level of professionalism and due care. The purpose of the internal audit function is to provide the Board, through the ARMC, reasonable assurance regarding the effectiveness of our Group's internal control systems.

In view of the appointment of Internal Auditors on 23 April 2025, which was after FYE 2024, no internal audit fee was incurred during FYE 2024.

Further details on the internal audit system are reported in the Statement on Risk Management and Internal Control of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of TechStore is pleased to present the Statement on Risk Management and Internal Control for the FYE 2024. This Statement is prepared in accordance with Rule 15.26(b) of the AMLR of Bursa Securities, Principle B of the MCCG, and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**Guidelines**"). It outlines the extent and nature of the internal control and risk management efforts of the Group.

BOARD RESPONSIBILITY

The Board acknowledges the importance of maintaining an effective system of risk management and internal control, and is committed to regularly reviewing its adequacy and effectiveness. This ensures the safeguarding of shareholders' interests, the protection of the Group's assets, and the achievement of its strategic and operational objectives. It is important to note that the system of risk management and internal control aims to manage risks, it is not designed to eliminate all risks entirely. Instead, it strives to manage them within an acceptable risk appetite, enabling the Group to pursue its business objectives while mitigating potential threats. As such, the system of risk management and internal controls of the Group can only provide reasonable, rather than absolute, assurance against material misstatement, potential losses, or fraud.

The Board affirmed that throughout the FYE 2024, the Group has maintained a robust and on-going process for identifying, evaluating, monitoring and managing the principal risks. To strengthen oversight, the Board has delegated the responsibility for reviewing the adequacy and effectiveness of the internal control system to the ARMC. Through the ARMC, the Board will be kept informed of all significant financial / non-financial control issues that will be brought to the attention of the ARMC by the Management, the Internal Auditors and the External Auditors. The Board will work closely with the ARMC to continually review, improve and address internal control measures while managing potential risks.

The Board is of the view that the Group's risk management and internal control system has been operating effectively and adequately during the financial year under review and up to the date of approval of this Annual Report, in all material aspects, subject to regular reviews.

RISK MANAGEMENT FRAMEWORK

Our Group has implemented an ERM framework, which is integrated into our management processes and ongoing business activities. This framework provides a structured approach for identifying, assessing, managing, and monitoring risks across the organisation. The key processes involved in the Group's ERM include:

- **Step 1** - Risk identification
- **Step 2** - Risk assessment
- **Step 3** - Risk response
- **Step 4** - Risk control and mitigation
- **Step 5** - Risk reporting and monitoring

The ERM framework is a structured and systematic process designed for identifying, assessing, managing, and monitoring risks that could impact the Group's ability to achieve its business objectives and strategic goals. Department heads across the Group are responsible for the timely identification, evaluation, reporting, and management of risks within their respective areas on a daily basis.

Under the guidance and oversight of the Board and the ARMC, the key senior management is entrusted with the responsibility of managing the Group's risk profile. This includes assigning clear accountability for risk management, ensuring the effectiveness of risk mitigation strategies, and monitoring the progress of risk-related initiatives. Key senior management provides regular updates and comprehensive reports to the Board and ARMC, ensuring transparency and enabling informed decision-making at the highest level. In the event of major incidents or significant risk issues, these are promptly escalated to the Board for further review and deliberation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM

The Board recognises the vital role of internal control systems in ensuring operational efficiencies and promoting sound corporate governance. We have implemented appropriate internal controls to identify operational weaknesses and manage risk exposures effectively. The Board has delegated the responsibilities of monitoring the Group's internal control system in daily operations to the ARMC, which reports its findings to the Board. Any significant internal control deficiencies that may impact the Group's strategic objectives are promptly escalated to the Board's attention during scheduled Board meetings.

Amongst others, the key internal controls in place within the Group during FYE 2024 include:

- (i) Formalisation of a Board Charter for the Board and Terms of References for Board Committees (i.e. ARMC, NC and RC) to advocate a defined level of duties and authorities;
- (ii) Well-defined organisation structure with clear reporting lines to promote appropriate segregation and delegation of responsibilities;
- (iii) Formalisation of several company policies including the Code of Ethics Policy, Anti-Bribery and Anti-Corruption Policy as well as Whistleblowing Policy to foster integrity and ethical behaviours within the Group;
- (iv) Adoption of Directors' Fit and Proper Policy to guide the NC with formal objective criteria in considering the appointment and re-appointment of Directors;
- (v) Implementation of SOPs covering various operational areas to ensure consistency and uniformity in internal procedures in alignment with the Group's business objectives; and
- (vi) Implementation of proper financial reporting procedures including the review of unaudited quarterly financial results, annual audited financial statements, RPT, recurrent related party transaction, and COI scenario (if any) by the ARMC prior to submission for the Board's approval.

For the FYE 2024, the Group's engaged Eco Asia Governance Advisory Sdn Bhd as its Internal Control Review Consultant to assess the adequacy and effectiveness of the Group's corporate governance framework, internal control system and risk management practice in preparation for its listing on ACE Market of Bursa Securities. The overall outcome of the review was of satisfactory. The scope of the review covered the following key area:

(a) Corporate governance

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and stakeholder engagement.

(b) Risk management

- risk assessment policies and procedures; and
- identification of key risk and corresponding mitigation measures.

(c) Key internal controls

- financial closing and reporting;
- revenue, accounts receivable and collection process;
- purchases, accounts payable and payment;
- payroll and human resource management;
- inventory and fixed assets management;
- related party transactions; and
- anti-bribery and corruption controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Following the Group's successful listing on 18 February 2025, no internal audit activities have been carried out, and therefore no internal audit costs were incurred during the reporting period.

Currently, the internal audit function has yet to be established. The Board outsourced its internal audit function to a professional service firm, Sterling Business Alignment Consulting Sdn Bhd to discharge the internal audit function for the Group.

Once established, the internal audit function will operate under the direct oversight of the ARMC, with the primary objective of assessing and strengthening the Group's internal control environment. The function will also help ensure an appropriate balance between risk and control, supporting the Group in achieving its strategic and operational objectives. To uphold independence and objectivity, the ARMC will be responsible for approving the internal audit plan and associated fees.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The External Auditors, Crowe Malaysia PLT, has reviewed this Statement on Risk Management and Internal Control pursuant to Rule 15.23 AMLR in accordance with Audit and Assurance Practice Guide 3 ("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 in February 2018 for inclusion in the annual report of our Group for the financial year under review.

AAPG 3 does not require the external auditors to consider whether this Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

Based on the External Auditors review, they have reported to the Board that nothing has come to their attention which causes 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 Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

CONCLUSION

For the financial year under review, the Board is confident that the current risk management and internal control system is well-aligned with the Group's business objectives, ensuring that risks are managed within the Group's defined risk appetite and tolerance levels. This system provides a robust framework to safeguard shareholders' investments and preserve the Group's assets.

However, the Board recognises that the business environment is dynamic and constantly evolving, necessitating continuous improvement and adaptation of the Group's risk management and internal control practices. To this end, the Board will continuously monitor the Group's risk management and internal control system. This ongoing effort ensures that the Group remains resilient, responsive to emerging risks, and well-positioned to achieve its long-term objectives while maintaining the highest standards of governance and accountability.

The Board has received assurance from the Managing Director and Executive Director that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

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

STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are responsible for the preparation of financial statements of the Group and of the Company, as at the end of each financial year, which have been made out in accordance with MFRSs, IFRSs, and the requirements of the Act in Malaysia.

The Directors are also required by the Act to be responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for financial year ended 31 December 2024, the Directors have observed the following criteria:

- adopted and consistently applied the appropriate accounting policies;
- made judgments and estimates that are prudent and reasonable;
- prepared the financial statements on a going concern basis; and
- disclosed whether the applicable accounting standards have been complied with, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible to ensure that the Group and the Company maintain proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy and enabling them to ensure that the financial statements comply with the Listing Requirements of Bursa Securities and adhere to the Act.

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

Financial Statements

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year/period ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

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

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

CONVERSION OF PRIVATE COMPANY TO PUBLIC COMPANY

The Company was incorporated in Malaysia on 23 January 2024 under the Companies Act 2016 as a private limited company under the name of TechStore Sdn. Bhd. to facilitate the proposed initial public offering.

Subsequently on 6 June 2024, the Company was converted to a public limited liability company by shares and assumed its present name, TechStore Berhad, to embark on the listing of and quotation for the entire enlarged share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

RESULTS

	The Group RM	The Company RM
Profit/(Loss) after taxation for the financial year/period	6,287,824	(349,114)
Attributable to:-		
Owners of the Company	6,287,824	(349,114)

DIVIDENDS

No dividend was recommended by the directors for the financial year/period.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT

ISSUE OF SHARES AND DEBENTURES

The Company was incorporated with a total paid-up share capital of RM1 comprising 1 ordinary share.

During the financial period:-

- (a) the Company increased its issued and paid-up share capital from RM1 to RM32,062,501 by way of issuance of 374,999,999 new ordinary shares for a purchase consideration of RM0.0855 each for the purpose of acquisition of Tech-Store Malaysia Sdn. Bhd.. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS' REPORT**DIRECTORS**

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

Tan Hock Lim (First Director)
 Dato' Ab Rahim Bin Abu Bakar (Appointed on 10.5.2024)
 Datin Shafinaz Binti Abdul Rani (Appointed on 10.5.2024)
 Lim Su May (Appointed on 10.5.2024)
 Mohd Fadzil Bin Mohd Daud (Appointed on 10.5.2024)
 Yap Choo Cheng (Appointed on 10.5.2024)

The name of directors of the Company's subsidiaries who served during the financial year/period until the date of this report, not including those directors mentioned above, are as follows:-

Nor Azman Bin Abd Razak
 Tan Mee Hong (Resigned on 9.1.2024)

DIRECTORS' INTERESTS

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

The Company	<-----Number of Ordinary Shares----->			
	At 23.1.2024/ Date of Appointment	Bought	Sold	At 31.12.2024
<i>Direct interests</i>				
Tan Hock Lim	1	295,156,249	-	295,156,250
Mohd Fadzil Bin Mohd Daud	-	79,687,500	-	79,687,500

By virtue of their shareholdings in the Company, Tan Hock Lim and Mohd Fadzil Bin Mohd Daud are deemed to have interests in shares in its related corporations during the financial year/period to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the date of incorporation, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from following transactions:-

	The Group RM	The Company RM
Related parties		
Acquisition of shares of a subsidiary	(200,000)	-
Consultation fees paid/payable	(56,400)	-
Lease expenses paid/payable	(125,400)	-
	<hr/>	<hr/>

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

DIRECTORS' REMUNERATION

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

	The Group RM	The Company RM
Fees	160,000	160,000
Salaries, bonuses and other benefits	1,003,838	-
Defined contribution benefits	119,449	-
	<hr/>	<hr/>
	1,283,287	160,000
	<hr/>	<hr/>

INDEMNITY AND INSURANCE COST

During the financial period, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

DIRECTORS' REPORT**SUBSIDIARIES**

- (a) The details of the subsidiaries' name, principal place of business/country of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held By Parent %	Principal Activities
<i>Subsidiary of the Company</i>			
Tech-Store Malaysia Sdn. Bhd. ("TSM")	Malaysia	100	Distribution and provision of professional project contracting services in relation to software and hardware for security and ICT products.
<i>Subsidiary held through TSM</i>			
Seetec Asia Sdn. Bhd. ("SeeTec")	Malaysia	100	Business of security consulting, security systems, ICT, video and behavioural analytics, and development of middleware for third party hardware and system integration.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR/PERIOD

- (a) On 6 December 2023, TSM signed a Letter of Offer with Koperasi Co-opbank Pertama Malaysia Berhad amounting to RM35 million. On 22 March 2024, TSM entered into a Facility Agreement where the proceeds were drawdown on 3 May 2024 to lease to public sector under a finance lease arrangement. The ICT equipments has been fully paid to the supplier upon drawdown of the term loan.
- (b) On 26 March 2024, TSM signed a Letter of Offer for Hire Purchase Facility with PLC Credit & Factoring Sdn. Bhd. for a total facility loan limit of RM50 million and subsequently on 29 November 2024, TSM entered into a Hire Purchase-i Agreement. The proceeds were partially drawdown on 31 December 2024 amounting RM2,572,899 to pay suppliers for the purchase of ICT equipment to lease to public sector under a finance lease arrangement. The ICT equipment has been fully paid to the supplier upon drawdown of the hire purchase loan.

DIRECTORS' REPORT**SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD**

- (a) On 22 January 2025, the Company issued a prospectus in connection with the Initial Public Offering ("IPO") and the listing of shares ("Listing") of the Company on the ACE Market of Bursa Securities. The IPO and Listing involved the following events:-
- (i) Public issue of 125,000,000 issue shares at IPO Price, representing 25% of the entire enlarged shares in the following manner:-
 - 25,000,000 issue shares, representing 5% of the entire enlarged shares made available for application by the Malaysian Public;
 - 25,000,000 issue shares, representing 5% of the entire enlarged shares made available for application by the eligible persons;
 - 12,500,000 issue shares, representing 2.5% of the entire enlarged shares made available by way of private placement to selected investors; and
 - 62,500,000 issue shares, representing 12.5% of the entire enlarged shares made available by way of private placement to identified Bumiputera investors approved by Ministry of Investment, Trade and Industry Malaysia.
 - (ii) Offer for sale of 25,000,000 offer shares, representing 5% of the entire enlarged shares made available at the IPO Price by way of private placement to selected investors.
- (b) On 18 February 2025, the Company was successfully admitted to the Official List of Bursa Securities with the listing of and quotation for its entire enlarged issued share capital comprising 500,000,000 ordinary shares on the ACE Market of Bursa Securities.
- (c) On 28 February 2025, TSM increased its issued and paid-up share capital from RM12,000,000 to RM20,000,000 by way of issuance of 8,000,000 new ordinary shares for a cash consideration of RM8,000,000. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the TSM.

DIRECTORS' REPORT

AUDITORS

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

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

	The Group RM	The Company RM
Audit fees	136,000	55,000
Non-audit fees	79,788	11,000
	<hr/> 215,788	<hr/> 66,000

Signed in accordance with a resolution of the directors dated 25 April 2025.

TAN HOCK LIM

MOHD FADZIL BIN MOHD DAUD

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

We, Tan Hock Lim and Mohd Fadzil Bin Mohd Daud, being two of the directors of TechStore Berhad, state that, in the opinion of the directors, the financial statements set out on pages 73 to 149 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 of 31 December 2024 and of their financial performance and cash flows for the financial year/period ended on that date.

Signed in accordance with a resolution of the directors dated 25 April 2025.

TAN HOCK LIM

MOHD FADZIL BIN MOHD DAUD

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

I, Susie Chung Kim Lan, MIA Membership Number: 26867 being the officer primarily responsible for the financial management of TechStore Berhad, do solemnly and sincerely declare that the financial statements set out on pages 73 to 149 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovementioned
Susie Chung Kim Lan
at Kuala Lumpur in the Federal Territory
on this 25 April 2025

SUSIE CHUNG KIM LAN

Before me

Muhammad Faiz Dharmendra Bin Abdullah (W737)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECHSTORE BERHAD

Incorporated in Malaysia
Registration No: 202401003419 (1549269-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TechStore Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year/period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 73 to 149.

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/period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECHSTORE BERHAD (CONT'D)

Incorporated in Malaysia

Registration No: 202401003419 (1549269-M)

Key Audit Matters (Cont'd)

Revenue Recognition Refer to Note 29 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition for contract services, due to the contracting nature of the business, involves significant judgments. This includes the determination of the total budgeted contract costs and the calculation of percentage of completion which affects the quantum of revenue to be recognised. In estimating the revenue to be recognised, the management considers past experience and certification by customers and independent third parties, where applicable.</p> <p>We determined this to be a key audit matter due to the complexity and judgemental nature of the budgeting of contract costs and the determination of revenue recognised.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Read key contracts and discussed with management to obtain full understanding of terms and risks to assess our consideration of whether revenue was appropriately recognised; • Assessed the management's assumptions in determining the percentage of completion of projects, estimations of revenue and costs, provisions for foreseeable losses, liquidated and ascertained damages as well as recoverability of billed receivables; • Assessed the reasonableness of percentage of completion by comparing to certification by external parties; • Reviewed estimated profit and costs to complete and adjustments for job costing and potential contract losses; and • Tested costs incurred to date to supporting documentation such as contractors' claim certificates.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHSTORE BERHAD (CONT'D)**
Incorporated in Malaysia
Registration No: 202401003419 (1549269-M)

Key Audit Matters (Cont'd)

Recoverability of finance lease receivables, trade receivables and contract assets Refer to Notes 10, 15 and 17 to the financial statements	
Key Audit Matter	How our Audit Addressed the Key Audit Matter
<p>As at 31 December 2024, the carrying amounts of finance lease receivables, trade receivables and contract assets of the Group were RM32,683,775, RM13,877,949 and RM24,023,023, respectively.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on finance lease receivables, trade receivables and contract assets based on the following:-</p> <ul style="list-style-type: none"> • customers' payment profiles of past sales and corresponding historical credit losses; • specific known facts or circumstances on customers' ability to pay; or • by reference to past default experience. <p>The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance. Hence, we determined this to be a key audit matter.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Obtained an understanding of:- <ul style="list-style-type: none"> • the Group's control over the receivable collection process; • how the Group identifies and assesses the impairment of receivables; and • how the Group makes the accounting estimates for impairment. • Reviewed the ageing analysis of trade receivables and testing the reliability thereof; • Reviewed subsequent cash collections for major receivables and overdue amounts; • Made inquiries of management regarding the action plans to recover overdue amounts; • Compared and challenged management's view on the recoverability of overdue amounts to historical patterns of collection; • Examined other evidence including customer correspondences, proposed or existing settlement plans, repayment schedules; and • Evaluated the reasonableness and adequacy of the allowance for impairment loss recognised.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHSTORE BERHAD (CONT'D)**

Incorporated in Malaysia

Registration No: 202401003419 (1549269-M)

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 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' Responsibility 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHSTORE BERHAD (CONT'D)**
Incorporated in Malaysia
Registration No: 202401003419 (1549269-M)

Auditors' Responsibility 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:

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

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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHSTORE BERHAD (CONT'D)**

Incorporated in Malaysia

Registration No: 202401003419 (1549269-M)

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

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/period 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 of such communication.

Other Matters

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

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Kuala Lumpur

25 April 2025

Lam Chan Moi

03835/05/2026 J

Chartered Accountant

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	The Group 2024 RM	2023# RM	The Company 2024 RM
ASSETS				
NON-CURRENT ASSETS				
Investments in subsidiaries	6	-	-	32,062,500
Property, plant and equipment	7	2,318,612	1,856,620	-
Right-of-use assets	8	2,189,698	2,352,084	-
Intangible assets	9	2,279,467	-	-
Finance lease receivables	10	30,469,973	-	-
Goodwill	11	1,321,874	-	-
Deferred tax assets	12	834,000	526,000	-
		<u>39,413,624</u>	<u>4,734,704</u>	<u>32,062,500</u>
CURRENT ASSETS				
Contract cost assets	13	730,530	-	-
Inventories	14	2,329,937	1,728,653	-
Trade receivables	15	13,877,949	7,753,405	-
Finance lease receivables	10	2,213,802	-	-
Other receivables, deposits and prepayments	16	4,902,545	1,485,043	18,010
Contract assets	17	24,023,123	29,798,795	-
Amount owing by a related party	18	-	7,407	-
Short-term investments	19	-	16,348	-
Fixed deposits with licensed banks	20	3,675,489	4,439,483	-
Cash and bank balances		9,312,593	13,638,013	4,791
		<u>61,065,968</u>	<u>58,867,147</u>	<u>22,801</u>
TOTAL ASSETS		<u>100,479,592</u>	<u>63,601,851</u>	<u>32,085,301</u>

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

	Note	The Group 2024 RM	2023 [#] RM	The Company 2024 RM
EQUITY AND LIABILITIES				
EQUITY				
Share capital	21(a)	32,062,501	-	32,062,501
Invested equity	21(b)	-	12,000,000	-
Reorganisation deficit	22	(20,062,500)	-	-
Retained profits/(Accumulated loss)		26,359,910	20,072,086	(349,114)
TOTAL EQUITY		38,359,911	32,072,086	31,713,387
NON-CURRENT LIABILITIES				
Lease liabilities	23	62,564	141,369	-
Long-term borrowings	24	28,027,166	3,989,834	-
		28,089,730	4,131,203	-
CURRENT LIABILITIES				
Trade payables	26	19,877,829	20,256,993	-
Other payables and accruals	27	2,476,318	1,169,564	158,233
Contract liabilities	17	1,106,663	-	-
Amount owing to a subsidiary	28	-	-	213,681
Amount owing to a related party	18	907,216	-	-
Lease liabilities	23	142,391	200,961	-
Short-term borrowings	24	8,766,701	4,610,023	-
Current tax liabilities		752,833	1,161,021	-
		34,029,951	27,398,562	371,914
TOTAL LIABILITIES		62,119,681	31,529,765	371,914
TOTAL EQUITY AND LIABILITIES		100,479,592	63,601,851	32,085,301

Note:-

- As disclosed in Note 5.3 to the financial statements, the comparative figures in the Group's financial statements are presented as if the internal reorganisation had occurred before the start of the earliest period presented.

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

		The Group		The Company
		1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023# RM	23.1.2024 (date of incorporation) to 31.12.2024 RM
	Note			
REVENUE	29	62,280,461	62,207,480	-
COST OF SALES		(48,189,851)	(47,143,460)	-
GROSS PROFIT		14,090,610	15,064,020	-
OTHER INCOME		3,814,431	289,424	-
		17,905,041	15,353,444	-
ADMINISTRATIVE EXPENSES		(7,708,471)	(3,405,708)	(349,114)
OTHER EXPENSES		(792,815)	(623,250)	-
FINANCE COSTS		(1,770,150)	(739,403)	-
REVERSAL OF/(NET) IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS	30	1,046,219	(89,557)	-
PROFIT/(LOSS) BEFORE TAXATION	31	8,679,824	10,495,526	(349,114)
INCOME TAX EXPENSE	32	(2,392,000)	(2,773,682)	-
PROFIT/(LOSS) AFTER TAXATION		6,287,824	7,721,844	(349,114)
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR/PERIOD		6,287,824	7,721,844	(349,114)

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

		The Group		The Company
		1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 [#] RM	23.1.2024 (date of incorporation) to 31.12.2024 RM
	Note			
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company		6,287,824	7,721,844	(349,114)
		<hr/>	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-				
Owners of the Company		6,287,824	7,721,844	(349,114)
		<hr/>	<hr/>	<hr/>
EARNINGS PER SHARE (SEN)	33			
- Basic		1.68	2.06	
- Diluted		1.68	2.06	
		<hr/>	<hr/>	

Note:-

- # - As disclosed in Note 5.3 to the financial statements, the comparative figures in the Group's financial statements are presented as if the internal reorganisation had occurred before the start of the earliest period presented.

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

	Note	Share Capital RM	Invested Equity RM	Non-distributable Reorganisation Deficit RM	Distributable Retained Profits RM	Total Equity RM
The Group						
At 1.1.2023		-	5,000,000	-	19,350,242	24,350,242
Profit after taxation/Total comprehensive income for the financial year		-	-	-	7,721,844	7,721,844
Bonus issue of shares		-	7,000,000	-	(7,000,000)	-
At 31.12.2023/1.1.2024		-	12,000,000	-	20,072,086	32,072,086
Profit after taxation/Total comprehensive income for the financial year		-	-	-	6,287,824	6,287,824
Contributions by owners of the Company:- Issuance of shares:						
- Upon incorporation of the Company	21(a)	1	-	-	-	1
- Upon acquisition of a subsidiary	21(a)	32,062,500	(12,000,000)	(20,062,500)	-	-
Total transactions with owners		32,062,501	-	(20,062,500)	-	12,000,001
At 31.12.2024		32,062,501	-	(20,062,500)	26,359,910	38,359,911

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

	Note	Share Capital RM	Accumulated Loss RM	Total Equity RM
The Company				
At 23.1.2024 (date of incorporation)		1	-	1
Loss after taxation for the financial period		-	(349,114)	(349,114)
Contributions by owners of the Company: - Issuance of shares	21(a)	32,062,500	-	32,062,500
Total comprehensive expenses for the financial period		32,062,500	(349,114)	31,713,386
At 31.12.2024		32,062,501	(349,114)	31,713,387

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

	Note	The Group		The Company
		1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	23.1.2024 (date of incorporation) to 31.12.2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation		8,679,824	10,495,526	(349,114)
Adjustments for:-				
Amortisation of intangible assets		211,532	-	-
Depreciation of:				
- property and equipment		366,196	260,809	-
- right-of-use assets		176,987	217,066	-
Impairment losses on:				
- contract assets		62,000	-	-
- trade receivables		329,440	579,557	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptances		41,559	15,165	-
- bank overdrafts		17,400	-	-
- bank guarantee		256,474	355,758	-
- hire purchase payables		19,350	-	-
- invoice financing		42,892	-	-
- term loans		1,376,752	292,400	-
Interest expenses on lease liabilities		17,373	25,049	-
Unrealised (loss)/gain on foreign exchange		(37,222)	34,114	-
Gain on reassessment of leases		(3,909)	(5,845)	-
Gain on derecognition of leases		(2,640)	-	-
Interest income		(230,091)	(184,563)	-
Interest income on finance lease receivables		(2,954,938)	-	-
Reversal of impairment losses on trade receivables		(1,437,659)	(490,000)	-
Operating profit/(loss) before working capital changes carried forward		6,931,320	11,595,036	(349,114)

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

	The Group		The Company
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	23.1.2024 (date of incorporation) to 31.12.2024 RM
Note			
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)			
Operating profit/(loss) before working capital changes brought forward	6,931,320	11,595,036	(349,114)
Increase in contract cost assets	(730,530)	-	-
Increase in contract assets	(1,333,825)	(1,228,585)	-
Increase/(Decrease) in contract liabilities	1,106,663	(103,640)	-
(Increase)/Decrease in inventories	(601,284)	185,927	-
Increase in trade and other receivables	(1,372,229)	(2,435,154)	(18,010)
Decrease in finance lease receivables	5,271,163	-	-
(Decrease)/Increase in trade and other payables	(272,887)	2,699,436	158,233
Increase in amount owing by a related party	-	(32,812)	-
Increase in amount owing to a related party	914,623	-	-
Increase in amount owing to a subsidiary	-	-	213,681
CASH FROM OPERATIONS	9,913,014	10,680,208	4,790
Interest paid	(273,874)	-	-
Income tax paid	(3,084,452)	(2,854,814)	-
NET CASH FROM OPERATING ACTIVITIES	6,554,668	7,825,394	4,790

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

		The Group		The Company
		1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	23.1.2024 (date of incorporation) to 31.12.2024 RM
	Note			
CASH FLOWS FOR INVESTING ACTIVITIES				
Purchase of intangible assets		(2,486,736)	-	-
Purchase of property, plant and equipment		(828,187)	(605,176)	-
Net cash outflows from acquisition of a subsidiary	34	(163,498)	-	-
Withdrawal of/(Additions to) pledged fixed deposits with licensed banks		763,994	(1,025,072)	-
Interest income received		230,091	184,563	-
Repayment from a director		-	48,439	-
NET CASH FOR INVESTING ACTIVITIES		(2,484,336)	(1,397,246)	-
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares		1	-	1
Decrease in restricted cash		-	886,625	-
Drawdown of bankers' acceptances	35(b)	2,873,048	1,734,769	-
Drawdown of hire purchase payables	35(b)	3,062,899	-	-
Drawdown of invoice financing	35(b)	-	3,050,000	-
Drawdown of term loans	35(b)	-	1,000,000	-
Interest paid		(1,497,926)	(688,372)	-
Repayment of bankers' acceptances	35(b)	(3,181,164)	(1,012,046)	-
Repayment of hire purchase payables	35(b)	(79,555)	-	-
Repayment of invoice financing	35(b)	(3,050,000)	-	-
Repayment of lease liabilities	35(b)	(145,427)	(181,552)	-
Repayment of term loans	35(b)	(6,431,218)	(808,621)	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(8,449,342)	3,980,803	1
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(4,378,990)	10,408,951	4,791
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		37,222	(34,114)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		13,654,361	3,279,524	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/ PERIOD	35(d)	9,312,593	13,654,361	4,791

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

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

Registered office : B-21-1, Level 21, Tower B, Northpoint Mid Valley City,
No.1, Medan Syed Putra Utara,
59200 Kuala Lumpur, W.P. Kuala Lumpur.

Principal place of business : No. 20-2 Jalan Suria Puchong 6,
Pusat Perniagaan Suria Puchong,
47110 Puchong Selangor.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 April 2025.

2. CONVERSION TO BERHAD STATUS

The Company was incorporated in Malaysia on 23 January 2024 under the Companies Act 2016 as a private limited company under the name of TechStore Sdn. Bhd. to facilitate the proposed initial public offering.

Subsequently on 6 June 2024, the Company was converted to a public limited liability company by shares and assumed its present name, TechStore Berhad, to embark on the listing of and quotation for the entire enlarged share capital of the Company on the ACE Market of Bursa Securities.

3. PRINCIPAL ACTIVITIES

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

4. BASIS OF PREPARATION

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

- 4.1 During the current financial year/period, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

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

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

4. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

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

MFRS 18 Presentation and Disclosure of Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

5. MATERIAL ACCOUNTING POLICIES INFORMATION

5.1 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

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

(a) Impairment of Intangible Assets and Goodwill

The assessment of whether intangible assets and goodwill are impaired requires an estimation of the value in use of the cash-generating unit to which the intangible assets and goodwill are allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of intangible assets and goodwill as at the reporting date and the key assumptions are disclosed in Notes 9 and 11 to the financial statements respectively.

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

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

(c) Impairment of Finance Lease Receivables, Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all finance lease receivables, trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. Finance lease receivables are assessed separately for impairment due to their distinct credit risk characteristics. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of finance lease receivables, trade receivables and contract assets. The carrying amounts of finance lease receivables, trade receivables and contract assets as at the reporting date are disclosed in Notes 10, 15 and 17 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Revenue Recognition for Contract Services

The Group and the Company recognise certain contract services by reference to the contract services progress using the input method, determined based on the proportion of contract costs incurred for work performed to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 17 to the financial statements.

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax liabilities of the Group as at the reporting date is RM752,833 (2023 - RM1,161,021).

(f) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 12 to the financial statements.

(g) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair values of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.1 Critical Accounting Estimates and Judgements (Cont'd)

Critical Judgements Made in Applying Accounting Policies

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

Lease Terms

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

5.2 Financial Instruments

(a) Financial Assets

Financial Assets Through Profit or Loss

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

Financial Assets at Amortised Cost

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

(b) Financial Liability

Financial Liabilities at Amortised Cost

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.2 Financial Instruments (Cont'd)

(c) Equity

Ordinary Shares

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

5.3 Basis of Combination

The Company was incorporated as part of restructuring exercise under the listing scheme for the listing and quotation of its entire issued share capital on the ACE Market of Bursa Securities. The restructuring will result in the Company becoming the holding company of Tech-Store Malaysia Sdn. Bhd. ("TSM").

On 30 October 2024, the Company acquired the entire issued and paid-up share capital of TSM and resulting thereof, TSM became a wholly-owned subsidiary of the Company.

As the Company did not constitute a business as defined in MFRS 3 *Business Combinations*, the acquisition was accounted for as a capital reorganisation arising from a transaction under common control, as the ultimate controlling shareholder remain unchanged before and after the internal reorganisation. Accordingly, the consolidated financial statements of the Company represent a continuation of the acquired entity, i.e. TSM and the results of entity are presented as if reorganisation had occurred from the beginning of the earliest period presented in the financial statements.

In the consolidated financial statements of the Company, the Company incorporated the assets and liabilities of TSM at its pre-internal reorganisation carrying amounts without fair value uplift on the basis that there is no substantive economic change resulting from the internal restructuring. No new goodwill was recorded. The difference between the shares issued by the Company to acquire TSM and the share capital of TSM was recorded in the capital reorganisation reserve or reorganisation deficit in equity, as applicable.

5.4 Goodwill

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.5 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Buildings	2%
Computer and software	20%
Equipment	10% to 20%
Furniture and fittings	20%
Motor vehicles	20%
Renovation	20%
Signboard	20%

5.6 Right-Of-Use Assets and Lease Liabilities

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

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

(b) Right-of-use Assets

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

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

(c) Lease Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.7 Intangible Assets

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

Intangible Assets with Definite Useful Lives

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

Trademark	10 years
-----------	----------

5.8 Research And Development Costs

Research costs are recognised as an expense when they are incurred.

Capitalised development costs are initially measured at cost. Subsequent to the initial recognition, the development costs are stated at cost less accumulated amortisation and any accumulated impairment losses.

Capitalised development costs are amortised from the point at which the asset is available for use using the straight-line method over periods of 5 years. Prior to that, the capitalised development costs are tested for impairment annually and whenever there is an indication that they may be impaired.

5.9 Inventories

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

6. INVESTMENTS IN SUBSIDIARIES

	The Company 2024 RM
Unquoted shares, at cost:-	
At 23.1.2024 (date of incorporation)	-
Acquisition during the financial period	32,062,500
At 31.12.2024	<u>32,062,500</u>

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held By Parent 2024 %	Principal Activities
<i>Subsidiary of the Company</i>			
Tech-Store Malaysia Sdn. Bhd. ("TSM")	Malaysia	100	Distribution and provision of professional project contracting services in relation to software and hardware for security and ICT products.
<i>Subsidiary held through TSM</i>			
Seetec Asia Sdn. Bhd. ("SeeTec")	Malaysia	100	Business of security consulting, security systems, ICT, video and behavioural analytics, and development of middleware for third party hardware and system integration.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) On 9 January 2024, TSM acquired 100% equity interest of SeeTec for a total purchase consideration of RM200,000. With this acquisition, SeeTec became a wholly-owned subsidiary of TSM. The details of the acquisition are disclosed in Note 34 to the financial statements.
- (b) In conjunction with the proposed listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad, the Company has undertaken an internal restructuring to acquire the entire issued share capital of TSM.

On 6 May 2024, the Company entered into a Conditional Share Sale Agreement with the vendors of TSM to acquire the entire issued share capital of TSM.

On 30 October 2024, the Company completed the acquisition of the entire issued and paid-up share capital of TSM for a total purchase consideration of RM32,062,500 by issuance of 374,999,999 new ordinary shares as disclosed in Note 21(a) to the financial statements. In subsequent thereof, TSM became a wholly-owned subsidiary of the Company and consolidated under the reorganisation scheme.

7. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2024 RM	Acquisition of a Subsidiary (Note 34) RM	Additions RM	Depreciation Charges (Note 31) RM	At 31.12.2024 RM
The Group					
2024					
<i>Carrying Amount</i>					
Buildings	959,789	-	-	(21,004)	938,785
Computer and software	617,370	-	177,160	(188,636)	605,894
Equipment	136,031	1	86,264	(35,572)	186,724
Furniture and fittings	28,743	-	-	(7,943)	20,800
Motor vehicles	106,387	-	546,918	(108,896)	544,409
Renovation	8,300	-	17,845	(4,145)	22,000
	1,856,620	1	828,187	(366,196)	2,318,612

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

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

	At 1.1.2023 RM	Additions RM	Depreciation Charges (Note 31) RM	At 31.12.2023 RM
The Group				
2023				
<i>Carrying Amount</i>				
Buildings	980,792	-	(21,003)	959,789
Computer and software	248,486	500,272	(131,388)	617,370
Equipment	111,393	52,087	(27,449)	136,031
Furniture and fittings	23,035	12,246	(6,538)	28,743
Motor vehicles	144,122	34,500	(72,235)	106,387
Renovation	4,425	6,071	(2,196)	8,300
	1,512,253	605,176	(260,809)	1,856,620
		At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group				
2024				
Buildings		1,050,193	(111,408)	938,785
Computer and software		1,720,554	(1,114,660)	605,894
Equipment		612,844	(426,120)	186,724
Furniture and fittings		346,003	(325,203)	20,800
Motor vehicles		1,046,768	(502,359)	544,409
Renovation		179,407	(157,407)	22,000
Signboard		18,550	(18,550)	-
		4,974,319	(2,655,707)	2,318,612

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

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

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2023			
Buildings	1,050,193	(90,404)	959,789
Computer and software	1,540,704	(923,334)	617,370
Equipment	524,295	(388,264)	136,031
Furniture and fittings	346,003	(317,260)	28,743
Motor vehicles	499,850	(393,463)	106,387
Renovation	161,562	(153,262)	8,300
Signboard	10,750	(10,750)	-
	<u>4,133,357</u>	<u>(2,276,737)</u>	<u>1,856,620</u>

- (a) The buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24(a) to the financial statements.
- (b) Included in the property, plant and equipment of the Group were motor vehicle with a total carrying amount of RM531,359 (2023 - Nil) held under hire purchase arrangements. Details of the hire purchase payables by the Group, as disclosed in Note 25 to the financial statements.

8. RIGHT-OF-USE ASSETS

	At 1.1.2024 RM	Derecognition Due to Lease Modification RM	Reassessment of Lease Liabilities RM	Depreciation Charges (Note 31) RM	At 31.12.2024 RM
The Group					
2024					
<i>Carrying Amount</i>					
Leasehold lands	2,019,683	-	-	(27,321)	1,992,362
Office premises	156,076	-	117,055	(117,056)	156,075
Hostels	112,560	(102,454)	-	(10,106)	-
Equipment	63,765	-	-	(22,504)	41,261
	<u>2,352,084</u>	<u>(102,454)</u>	<u>117,055</u>	<u>(176,987)</u>	<u>2,189,698</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

8. RIGHT-OF-USE ASSETS (CONT'D)

	At 1.1.2023 RM	Addition (Note 35(a)) RM	Reassessment of Lease Liabilities RM	Depreciation Charges (Note 31) RM	At 31.12.2023 RM
The Group					
2023					
<i>Carrying Amount</i>					
Leasehold lands	2,047,004	-	-	(27,321)	2,019,683
Office premises	156,076	-	117,056	(117,056)	156,076
Hostels	70,742	62,729	29,274	(50,185)	112,560
Equipment	86,269	-	-	(22,504)	63,765
	<u>2,360,091</u>	<u>62,729</u>	<u>146,330</u>	<u>(217,066)</u>	<u>2,352,084</u>

- (a) The Group has leases contract for leasehold lands, office premises, hostels and equipment used in its operations with the following lease terms:-

	2024	2023
Leasehold lands	84 years and 75 years	84 years and 75 years
Office premises	1 year + 1 year renewal option	1 year + 1 year renewal option
Hostels	1 year + 2 years renewal option and 1 year + 1 year renewal option	1 year + 2 years renewal option and 1 year + 1 year renewal option
Equipment	5 years	5 years

- (b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the “short-term lease” and “lease of low-value assets” recognition exemptions for these leases.
- (c) The leasehold lands of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

9. INTANGIBLE ASSETS

	The Group	
	2024 RM	2023 RM
Cost:-		
At 1 January	-	-
Additions	2,486,736	-
Acquisition of a subsidiary (Note 34)	6,080	-
	<hr/>	<hr/>
At 31 December	2,492,816	-
	<hr/>	<hr/>
Accumulated amortisation:-		
At 1 January	-	-
Acquisition of a subsidiary (Note 34)	(1,817)	-
Amortisation during the financial year (Note 31)	(211,532)	-
	<hr/>	<hr/>
At 31 December	(213,349)	-
	<hr/>	<hr/>
	2,279,467	-
	<hr/>	<hr/>
Represented by:-		
Development costs	2,275,508	-
Trademark	3,959	-
	<hr/>	<hr/>
	2,279,467	-
	<hr/>	<hr/>
Included in additions during the financial year are:-		
Staff costs	430,488	-
	<hr/>	<hr/>

The development costs are in respect of development of platform screen door and belonged to the design and implementation of enterprise IT security and automation solutions segment. The amortisation charges are recognised in profit or loss under "Other Expenses" line item.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

10. FINANCE LEASE RECEIVABLES

	The Group	
	2024 RM	2023 RM
Finance lease receivables:-		
Non-trade balances	32,683,775	-
Analysed by:-		
Current assets	2,213,802	-
Non-current assets	30,469,973	-
	32,683,775	-

- (a) The Group entered into finance lease arrangements for ICT equipment and lease to public sector. The leases are denominated in RM. The terms of finance leases entered are ranging from 3 to 5 years (2023 - Nil).
- (b) The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The contracted effective interest rates range from 10.46% to 26.87% (2023 - Nil).
- (c) The Group entered a specific charge and deed of assignment over one of the finance lease receivables with a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24(a)(iii) to the financial statements.

11. GOODWILL

	The Group	
	2024 RM	2023 RM
Cost:-		
At 1 January	-	-
Acquisition of a subsidiary (Note 34)	1,321,874	-
At 31 December	1,321,874	-

- (a) The carrying amount of goodwill is allocated to the following cash-generating unit:-

	The Group	
	2024 RM	2023 RM
Security and ICT solutions segment	1,321,874	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

11. GOODWILL (CONT'D)

- (b) The Group has assessed the recoverable amount of goodwill and determined that no impairment is required. The recoverable amount is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the cash-generating unit based on the projections of financial budgets approved by the management covering a period of 5 years. The key assumptions used in the determination of the recoverable amount are as follows:-

	2024 %	2023 %	Basis
Revenue growth rate	1.8	-	Based on the expected projection of the increase in staff costs, which is aligned with the historical inflation rate.
Gross profit margin	15	-	Based on the cost markup specified in the agreement.
Discount rate (pre-tax)	8.7	-	The rate reflects specific risks relating to the cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future projections in the cash-generating unit and are based on both external sources and internal historical data.

The management believes that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the cash-generating unit's carrying amount to exceed its recoverable amount.

12. DEFERRED TAX ASSETS

	The Group	
	2024 RM	2023 RM
At 1 January	526,000	405,000
Recognised in profit or loss (Note 32)	308,000	121,000
At 31 December	<u>834,000</u>	<u>526,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

12. DEFERRED TAX ASSETS (CONT'D)

The deferred tax assets/(liability) recognised at the end of the reporting period are as follows:-

	The Group	
	2024 RM	2023 RM
Deferred tax assets:-		
Finance lease receivables	328,000	-
Provisions	576,000	598,000
	<u>904,000</u>	<u>598,000</u>
Deferred tax liability:-		
Accelerated capital allowances over depreciation	(70,000)	(72,000)
	<u>834,000</u>	<u>526,000</u>

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

	The Group		The Company
	2024 RM	2023 RM	2024 RM
Unused tax losses:			
- expires in year of assessment 2028	652,000	721,000	-
- expires in year of assessment 2029	1,000	1,000	-
- expires in year of assessment 2031	17,000	17,000	-
- expires in year of assessment 2032	21,000	21,000	-
- expires in year of assessment 2033	239,000	239,000	-
- expires in year of assessment 2034	70,210	-	70,210
Unabsorbed capital allowance	-	2,000	-
Provisions	223,000	205,000	90,000
	<u>1,223,210</u>	<u>1,206,000</u>	<u>160,210</u>

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

13. CONTRACT COST ASSETS

	The Group	
	2024 RM	2023 RM
Costs to fulfil a contract	730,530	-

The costs to fulfill a contract represent the amount charged by the suppliers in advance that is used to fulfill the contract in future. The costs are to be amortised on a straight-line method over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

14. INVENTORIES

	The Group	
	2024 RM	2023 RM
At cost:-		
Project equipment, spare parts and consumables	2,329,937	1,728,653
Recognised in profit or loss:-		
Inventories recognised as cost of sales	17,417,895	11,390,859

None of the inventories is carried at net realisable value.

15. TRADE RECEIVABLES

	The Group	
	2024 RM	2023 RM
<u>Trade receivables</u>		
Third parties	14,557,949	9,541,624
Allowance for impairment losses (Note 40.1(b)(iii))	(680,000)	(1,788,219)
	13,877,949	7,753,405

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company
	2024 RM	2023 RM	2024 RM
Other receivables	250,189	187,085	-
Deposits	3,119,654	182,246	-
Prepayments	1,532,702	1,115,712	18,010
	<u>4,902,545</u>	<u>1,485,043</u>	<u>18,010</u>

- (a) Included in deposits of the Group is an amount of RM1,361,100 (2023 - Nil) being advance deposit to the Finance Service Revenue Account with financial institution and has been pledged to financial institution as security for banking facilities granted to the Group as disclosed in Note 24(a)(v) to the financial statements.
- (b) Included in prepayments of the Group is an amount of RM634,236 (2023 - RM938,284) being advances made to suppliers and will be offset against future purchases from the suppliers.

17. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2024 RM	2023 RM
Contract Assets		
At 1 January	29,798,795	32,368,057
Performance obligations performed		
- contract services (Note 29)	39,065,204	56,091,006
- sales of goods	722,526	-
Transfer to trade receivables	(45,501,402)	(58,660,268)
Allowance for impairment losses (Note 40.1(b)(iii))	(62,000)	-
At 31 December	<u>24,023,123</u>	<u>29,798,795</u>

- (a) The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.
- (b) Included in the contract assets are retention sum receivables totalling RM7,987,391 (2023 - RM7,047,497).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

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

	The Group	
	2024 RM	2023 RM
Contract Liabilities		
At 1 January	-	(103,640)
Contract liabilities at the beginning of financial year recognised as revenue (Note 29)	-	103,640
Performance obligations performed (Note 29)	4,469,302	34,000
Cash received/Amounts billed for unfulfilled performance obligations	(5,575,965)	(34,000)
At 31 December	<u>(1,106,663)</u>	<u>-</u>

- (a) The contract liabilities primarily relate to advances received from customers to render contract services not yet redeemed. The amount will be recognised as revenue when the performance obligations are satisfied.
- (b) The transaction price allocated to unsatisfied and/or partially unsatisfied performance obligations as at the reporting date are as below:-

	The Group	
	2024 RM	2023 RM
Within 1 year	36,135,336	50,910,123
Between 2 to 5 years	17,293,870	11,087,799
	<u>53,429,206</u>	<u>61,997,922</u>

The amounts disclosed above do not have variable consideration.

18. AMOUNT OWING BY/(TO) A RELATED PARTY

	The Group	
	2024 RM	2023 RM
Amount owing by:-		
Non-trade balance	<u>-</u>	<u>7,407</u>
Amount owing to:-		
Non-trade balance	<u>(907,216)</u>	<u>-</u>

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

19. SHORT-TERM INVESTMENTS

	The Group	
	2024 RM	2023 RM
Money market funds, at fair value	-	16,348

In the previous financial year, the money market funds represented investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which were redeemable with seven (7) days notice at known amounts of cash, and were subject to an insignificant risk of changes in value.

20. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.50% to 3.10% (2023 - 2.55% to 3.10%) per annum. The fixed deposits have maturity periods ranging from 3 to 24 (2023 - 3 to 24) months.
- (b) The fixed deposits with licensed banks of the Group at the end of the reporting period have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24(a)(iv) to the financial statements.

21. SHARE CAPITAL AND INVESTED EQUITY

- (a) Share Capital

	The Group/The Company	
	Number of Shares	RM
Issued and Fully Paid-Up		
Ordinary Share		
At 23.1.2024 (date of incorporation)	1	1
Issuance of shares	374,999,999	32,062,500
At 31.12.2024	375,000,000	32,062,501

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

21. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)

(a) Share Capital (Cont'd)

- (i) The Company increased its issued and paid-up share capital from RM1 to RM32,062,501 by way of issuance of 374,999,999 new ordinary shares for a purchase consideration of RM0.0855 each for the acquisition of TSM as disclosed in Note 6(a) to the financial statements.

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

- (ii) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) Invested Equity

	The Group			
	2024	2023	2024	2023
	Number of Shares		RM	RM
Issued and Fully Paid-up				
Ordinary Shares				
At 1 January	12,000,000	5,000,000	12,000,000	5,000,000
Bonus issue of shares	-	7,000,000	-	7,000,000
Effect of internal reorganisation exercise	(12,000,000)	-	(12,000,000)	-
At 31 December	-	12,000,000	-	12,000,000

- (i) The invested equity at the end of the respective financial years comprise the issued and paid-up ordinary shares of TSM. During the financial year, the invested equity has been reversed pursuant to the completion of acquisition of TSM by TSB.
- (ii) In the previous financial year, TSM issued 7,000,000 new ordinary shares pursuant to the bonus issue exercise undertaken by TSM on the basis of seven bonus shares for every five existing ordinary shares held by the shareholders of TSM.

22. REORGANISATION DEFICIT

The reorganisation deficit arose from the difference between the carrying value of the investment and the nominal value of shares issued of the subsidiary upon internal reorganization exercise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

23. LEASE LIABILITIES

	The Group	
	2024 RM	2023 RM
At 1 January	342,330	320,668
Addition (Note 8)	-	62,729
Changes due to reassessment of lease liabilities (Note 35(b))	113,147	140,485
Derecognition due to lease modification (Note 35(b))	(105,095)	-
Interest expenses recognised in profit or loss (Note 31)	17,373	25,049
Repayment of principal	(145,427)	(181,552)
Repayment of interest expense	(17,373)	(25,049)
At 31 December	204,955	342,330
Analysed by:-		
Current liabilities	142,391	200,961
Non-current liabilities	62,564	141,369
	204,955	342,330

24. BORROWINGS

	The Group	
	2024 RM	2023 RM
Non-current		
Term loans (Secured)	25,915,814	3,989,834
Hire purchase payables (Note 25)	2,111,352	-
	28,027,166	3,989,834
Current		
Term loans (Secured)	7,480,102	837,300
Hire purchase payables (Note 25)	871,992	-
Bankers' acceptances	414,607	722,723
Invoice financing	-	3,050,000
	8,766,701	4,610,023

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

24. BORROWINGS (CONT'D)

- (a) The borrowings are secured by:-
- (i) All monies facilities agreement between borrower and the financial institution;
 - (ii) Leasehold lands and buildings as disclosed in Notes 7 and 8 to the financial statements;
 - (iii) A specific charge and deed of assignment over a finance lease receivable as disclosed in Note 10 to the financial statements;
 - (iv) Fixed deposits with licensed banks as disclosed in Note 20 to the financial statements;
 - (v) Memorandum of advance deposit to the Finance Service Revenue Account as disclosed in Note 16 to the financial statements and deposit of sinking fund;
 - (vi) Personal and joint and several guarantee by directors of the Group;
 - (vii) Syarikat Jaminan Pembiayaan Berhad (SJPP) guarantee under covid-19 special relief fund up to RM9,600,000 being 80% of the principal limit of the facility; and
 - (viii) Guarantee cover from the Government of Malaysia up to RM1,400,000 being 70% of the principal limit of the facility.
- (b) In connection with certain borrowings, the Group has to comply with the following significant covenants:-
- (i) Leverage ratio of not more than 2.50 times; and
 - (ii) Gearing ratio of not more than 1.50 times.
- (c) The Group has complied with the loan covenants.
- (d) The interest rates profile of the borrowings are summarised below:-

	The Group	
	2024 %	2023 %
Term loans:		
- floating rate	4.02 to 8.70	4.02 to 8.70
- fixed rate	-	3.50
Hire purchase payables	4.55 to 6.14	-
Bankers' acceptances	5.68	5.47 to 5.62
Invoice financing	-	7.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

25. HIRE PURCHASE PAYABLES

	The Group	
	2024 RM	2023 RM
Minimum hire purchase payments:		
- not later than one year	1,023,110	-
- later than one year and not later than five years	2,353,187	-
	<hr/>	<hr/>
	3,376,297	-
	(392,953)	-
	<hr/>	<hr/>
Less: Future finance charges		
	<hr/>	<hr/>
Present value of hire purchase payables	2,983,344	-
	<hr/>	<hr/>
Analysed by:-		
Current liabilities (Note 24)	871,992	-
Non-current liabilities (Note 24)	2,111,352	-
	<hr/>	<hr/>
	2,983,344	-
	<hr/>	<hr/>

- (a) The hire purchase payables of the Group are secured by the Group's property, plant and equipment held under hire purchase arrangements as disclosed in Note 7 to the financial statements.
- (b) The hire purchase payables of the Group at the end of the financial year bore effective interest rates ranging from 4.55% to 6.14% (2023 - Nil) per annum. The interest rates are fixed at inception of the hire purchase arrangements.

26. TRADE PAYABLES

	The Group	
	2024 RM	2023 RM
Accrued subcontractor work	5,129,060	13,003,467
Provision of costs	-	81,215
Retention sums	4,594,827	4,453,954
Third parties	10,153,942	2,718,357
	<hr/>	<hr/>
	19,877,829	20,256,993
	<hr/>	<hr/>

- (a) The normal credit terms granted to the Group ranging from 30 to 90 (2023 - 30 to 90) days. Other credit terms are granted and approved by the suppliers on a case-by-case basis.
- (b) The retention sums are expected to be settled within the period of 24 (2023 - 24) months.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

27. OTHER PAYABLES AND ACCRUALS

	The Group		The Company
	2024 RM	2023 RM	2024 RM
Accruals	1,212,804	893,134	151,000
Deferred income	28,440	112,198	-
Deposits received	6,000	12,000	-
Other payables	1,229,074	152,232	7,233
	<u>2,476,318</u>	<u>1,169,564</u>	<u>158,233</u>

28. AMOUNT OWING TO A SUBSIDIARY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

29. REVENUE

	The Group	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
<u>Revenue recognised at a point in time</u>		
Sale of goods	11,528,591	1,143,431
<u>Revenue recognised over time</u>		
Contract services	43,534,506	56,228,646
Rendering of services	7,217,364	4,835,403
	<u>50,751,870</u>	<u>61,064,049</u>
	<u>62,280,461</u>	<u>62,207,480</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

29. REVENUE (CONT'D)

- (a) The information on transaction price allocated to unsatisfied and/or partially unsatisfied performance obligations as at the reporting date is disclosed in Note 17 to the financial statements.
- (b) The information about the performance obligations in contracts with customers is summarised below:-

Sale of goods

Revenue is recognised at a point in time when the goods have been delivered to the customer and upon its acceptance, and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the goods sold.

Contract services

The contract services include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

Revenue from contract services is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of contract costs incurred for work performed to date over the estimated total contract costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the contract services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the contract services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

A defect liability period is ranging from 6 to 24 months is given to the customers.

Rendering of services

Revenue is recognised over time in the period in which the services are rendered. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

30. (REVERSAL OF)/NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
<u>Impairment losses:</u>		
- trade receivables (Note 40.1(b)(iii))	329,440	579,557
- contract assets (Note 40.1(b)(iii))	62,000	-
	391,440	579,557
<u>Reversal of impairment loss:</u>		
- trade receivables (Note 40.1(b)(iii))	(1,437,659)	(490,000)
	<u>(1,046,219)</u>	<u>89,557</u>

31. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company 23.1.2024 (date of incorporation) to 31.12.2024 RM
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	
Profit/(Loss) before taxation is arrived at after charging/(crediting):-			
Auditors' remuneration:			
- current financial year/period	136,000	59,000	55,000
- underprovision in the previous financial year	4,500	-	-
- non-audit fees	79,788	-	11,000
Amortisation of intangible assets	211,532	-	-
Depreciation of:			
- property, plant and equipment (Note 7)	366,196	260,809	-
- right-of-use assets (Note 8)	176,987	217,066	-
Directors' remunerations (Note 37)	1,431,183	1,282,089	160,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

31. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	23.1.2024 (date of incorporation) to 31.12.2024 RM
Profit/(Loss) before taxation is arrived at after charging/(crediting) (Cont'd):-			
Interest expense on financial liabilities that are not at fair value through profit or loss:			
- bankers' acceptances	41,559	15,165	-
- bank overdraft	15,750	38,933	-
- bank guarantee	256,474	355,758	-
- hire purchase payables	19,350	-	-
- invoice financing	42,892	-	-
- term loans	1,376,752	292,400	-
Interest expenses on lease liabilities (Note 23)	17,373	25,049	-
Lease expenses:			
- low-value assets	4,889	-	-
- short-term	14,329	41,200	-
Net (gain)/loss in foreign exchange:			
- realised	(106,340)	63,373	-
- unrealised	(37,222)	34,114	-
Staff costs:			
- salaries, bonuses, incentives and allowances	6,053,241	4,712,884	-
- defined contribution benefits	693,880	407,005	-
- other benefits	182,509	183,796	-
Fair value gain on financial assets measured at fair value through profit or loss mandatorily on short-term investments	(117,288)	(84,384)	-
Finance income from finance lease receivable	(2,954,938)	-	-
Gain on reassessment of lease liabilities	(3,909)	(5,845)	-
Gain on derecognition of leases	(2,641)	-	-
Interest income on financial assets:			
- interest income	(16)	-	-
- fixed deposits income	(112,787)	(100,179)	-
Lease income	(26,200)	(44,200)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

32. INCOME TAX EXPENSE

	The Group		The Company 23.1.2024 (date of incorporation) to 31.12.2024 RM
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	
Current tax expense:			
- for the financial year	2,721,524	2,742,000	-
- (over)/underprovision in the previous financial year	(21,524)	152,682	-
	<hr/> 2,700,000	<hr/> 2,894,682	<hr/> -
			-
Deferred tax (Note 12):			
- origination and reversal of temporary differences	(282,000)	(115,000)	-
- overprovision in the previous financial year	(26,000)	(6,000)	-
	<hr/> (308,000)	<hr/> (121,000)	<hr/> -
Income tax expense for the financial year	<hr/> 2,392,000	<hr/> 2,773,682	<hr/> -

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

32. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	The Group		The Company
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	23.1.2024 (date of incorporation) to 31.12.2024 RM
Profit/(Loss) before taxation	8,679,824	10,495,526	(349,114)
Tax at the statutory tax rate of 24%	2,083,158	2,519,000	(84,000)
Tax effects of:-			
Non-deductible expenses	496,366	130,000	46,000
Non-taxable income	(144,000)	(22,000)	-
Deferred tax assets not recognised during the financial year/period	38,000	-	38,000
Utilisation of deferred tax assets previously not recognised	(34,000)	-	-
(Over)/Underprovision in the previous financial year/period:			
- current tax	(21,524)	152,682	-
- deferred tax	(26,000)	(6,000)	-
Income tax expense for the financial year/period	2,392,000	2,773,682	-

- (a) Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) of the estimated assessable profit/(loss) for the financial year/period.
- (b) Income tax savings during the financial year arising from:-

	The Group	
	2024 RM	2023 RM
Utilisation of capital allowances:		
- current financial year	691,748	80,953

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

33. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the profit attributable to owners of the Group for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:-

	The Group	
	2024	2023
Profit after taxation attributable to owners of the Company (RM)	6,287,824	7,721,844
Weighted average number of ordinary shares in issue [#]	375,000,000	375,000,000
Basic earnings per share (Sen)	1.68	2.06

[#] - In determining the weighted average number of ordinary shares issued by the Company, the issuance of shares pursuant to group reorganisation exercise is treated as if it had been in issue since the beginning of the earliest period presented.

(b) Diluted Earnings Per Share

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

34. ACQUISITION OF A SUBSIDIARY

On 9 January 2024, TSM acquired 100% equity interests in SeeTec as disclosed in Note 6(a) to the financial statements.

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

	The Group 2024 RM
Property, plant and equipment (Note 7)	1
Intangible assets (Note 9)	4,263
Other receivables and deposits	14,101
Current tax assets	23,736
Bank balance	36,502
Other payables and accruals	(1,200,477)
	<hr/>
Net identifiable liabilities acquired	(1,121,874)
Add: Goodwill on acquisition (Note 11)	1,321,874
	<hr/>
Total purchase consideration, to be settled by cash	200,000
Less: Cash and bank balances of subsidiary acquired	(36,502)
	<hr/>
Net cash outflow from the acquisition of a subsidiary	163,498

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

	The Group 2024 RM
Revenue	136,098
Profit after taxation	32,978

If the acquisition had taken place at the beginning of the current financial period, the Group's revenue and profit after taxation would have been RM136,098 and RM32,978 respectively.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

35. CASH FLOW INFORMATION

(a) The cash disbursed for the addition of right-of-use assets is as follows:-

	The Group	
	2024 RM	2023 RM
Right-of-use assets		
Cost of right-of-use assets acquired (Note 8)	-	62,729
Less: Addition of new lease liability (Note 35(b))	-	(62,729)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

35. CASH FLOW INFORMATION (CONT'D)

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

The Group 2024	Lease Liabilities RM	Term Loans RM	Bankers' Acceptances RM	Invoice Financing RM	Hire Purchase Payables RM	Total RM
At 1 January	342,330	4,827,134	722,723	3,050,000	-	8,942,187
<u>Changes in Financing Cash Flows</u>						
Proceeds from drawdown	-	-	2,873,048	-	3,062,899	5,935,947
Repayment of principal	(145,427)	(6,431,218)	(3,181,164)	(3,050,000)	(79,555)	(12,887,364)
Repayment of interests	(17,373)	(1,376,752)	(41,559)	(42,892)	(19,350)	(1,497,926)
	(162,800)	(7,807,970)	(349,675)	(3,092,892)	2,963,994	(8,449,343)
<u>Other Changes</u>						
Addition of new finance lease	-	35,000,000	-	-	-	35,000,000
Derecognition due to lease modification (Note 35(a))	(105,095)	-	-	-	-	(105,095)
Interest expense recognised in profit or loss (Note 31)	17,373	1,376,752	41,559	42,892	19,350	1,497,926
Changes due to reassessment of lease liabilities (Note 23)	113,147	-	-	-	-	113,147
	25,425	36,376,752	41,559	42,892	19,350	36,505,978
At 31 December	204,955	33,395,916	414,607	-	2,983,344	36,998,822

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

35. CASH FLOW INFORMATION (CONT'D)

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

The Group 2023	Lease Liabilities RM	Term Loans RM	Bankers' Acceptances RM	Invoice Financing RM	Total RM
At 1 January	320,668	4,635,755	-	-	4,956,423
Changes in Financing Cash Flows					
Proceeds from drawdown	-	1,000,000	1,734,769	3,050,000	5,784,769
Repayment of principal	(181,552)	(808,621)	(1,012,046)	-	(2,002,219)
Repayment of interests	(25,049)	(292,400)	(15,165)	-	(332,614)
	(206,601)	(101,021)	707,558	3,050,000	3,449,936
Other Changes					
Addition of new lease liability (Note 23)	62,729	-	-	-	62,729
Interest expense recognised in profit or loss (Note 31)	25,049	292,400	15,165	-	332,614
Changes due to reassessment of lease liabilities (Note 23)	140,485	-	-	-	140,485
	228,263	292,400	15,165	-	535,828
At 31 December	342,330	4,827,134	722,723	3,050,000	8,942,187

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

35. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group 2024 RM	2023 RM	The Company 2024 RM
Payment of short-term leases	14,329	41,200	-
Payment of low-value assets	4,889	-	-
Interest paid on lease liabilities	17,373	25,049	-
Payment of lease liabilities	145,427	181,552	-
	<u>182,018</u>	<u>247,801</u>	<u>-</u>

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

	The Group 2024 RM	2023 RM	The Company 2024 RM
Short-term investments (Note 19)	-	16,348	-
Fixed deposits with licensed banks (Note 20)	3,675,489	4,439,483	-
Cash and bank balances	9,312,593	13,638,013	4,791
	<u>12,988,082</u>	<u>18,093,844</u>	<u>4,791</u>
Less: Fixed deposits pledged to licensed banks (Note 20)	(3,675,489)	(4,439,483)	-
	<u>9,312,593</u>	<u>13,654,361</u>	<u>4,791</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

36. RELATED PARTY DISCLOSURES

(a) Subsidiaries

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

(b) Significant Related Party Transactions and Balances

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

	The Group		The Company
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	23.1.2024 (date of incorporation) to 31.12.2024 RM
A subsidiary			
Payment on behalf by	-	-	213,681
Related parties			
Acquisition of shares of a subsidiary	(200,000)	-	-
Consultation fees paid/payable	(56,400)	(112,800)	-
Lease expenses paid/payable	(125,400)	(157,800)	-
Lease income received/receivable	-	18,000	-
Payment on behalf of	-	(19,185)	-
Payment on behalf by	-	54	-
Subcontractor wages	-	(2,843,095)	-
Upkeep of office equipment	-	(2,148)	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

37. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

	The Group		The Company
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	23.1.2024 (date of incorporation) to 31.12.2024 RM
(a) Directors			
<u>Directors of the Company</u>			
Short-term employee benefits:-			
<i>Non-executive:-</i>			
- fees	160,000	-	160,000
<i>Executive:-</i>			
- Salaries, bonuses and other benefits	1,003,838	1,013,577	-
- Defined contribution benefits	119,449	119,449	-
	1,123,287	1,133,026	-
	1,283,287	1,133,026	160,000
<u>Directors of the Subsidiaries</u>			
Short-term employee benefits:-			
<i>Executive:-</i>			
- Salaries, bonuses and other benefits	132,927	134,094	-
- Defined contribution benefits	14,969	14,969	-
	147,896	149,063	-
Total directors' remuneration (Note 31)	1,431,183	1,282,089	160,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

37. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year/period are as follows (Cont'd):-

	The Group		The Company 23.1.2024 (date of incorporation) to 31.12.2024 RM
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	
(b) Other Key Management Personnel			
Salaries, bonuses and other benefits	815,398	675,190	-
Defined contribution plan	41,849	30,430	-
	<u>857,247</u>	<u>705,620</u>	<u>-</u>

38. CAPITAL COMMITMENT

	The Group	
	2024 RM	2023 RM
Purchase of property, plant and equipment	<u>214,000</u>	<u>35,000,278</u>

39. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on yearly basis. For management purposes, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into 2 main reportable segments as follows:-

- Design and implementation of enterprise IT security and automation solutions ("Design and Implementation")
 - Maintenance and support services ("Maintenance and Support")
- (a) The directors as its chief operating decision maker assesses the performance of the reportable segments based on their operating income. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Segment assets and liabilities information are not provided to the director as its chief operating decision makers. Hence, no disclosure is made on segment assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

39. OPERATING SEGMENTS (CONT'D)

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

39.1 BUSINESS SEGMENTS

	Design and Implementation RM	Maintenance and Support RM	The Group RM
2024			
Revenue			
External revenue	43,534,506	18,745,955	62,280,461
Revenue			<u>62,280,461</u>
Results			
Segment profit	7,006,399	7,084,211	14,090,610
Other income			3,814,431
Administrative expenses			(7,708,471)
Other expenses			(792,815)
Finance costs			(1,770,150)
Reversal of impairment losses on financial assets and contract assets			<u>1,046,219</u>
Profit before taxation			8,679,824
Income tax expense			<u>(2,392,000)</u>
Profit after taxation			<u>6,287,824</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

39. OPERATING SEGMENTS (CONT'D)

39.1 BUSINESS SEGMENTS (CONT'D)

	Design and Implementation RM	Maintenance and Support RM	The Group RM
2023			
Revenue			
External revenue	56,228,647	5,978,833	62,207,480
Revenue			62,207,480
Results			
Segment profit	11,959,898	3,104,122	15,064,020
Other income			289,424
Administrative expenses			(3,405,708)
Other expenses			(623,250)
Finance costs			(739,403)
Net impairment losses on financial assets and contract assets			(89,557)
Profit before taxation			10,495,526
Income tax expense			(2,773,682)
Profit after taxation			7,721,844

39.2 GEOGRAPHICAL INFORMATION

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

	The Group	
	2024 RM	2023 RM
Malaysia	61,976,307	59,843,905
Singapore	304,154	2,363,575
	62,280,461	62,207,480

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

39. OPERATING SEGMENTS (CONT'D)

39.3 MAJOR CUSTOMERS

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

		The Group	
Segment		2024 RM	2023 RM
Customer #1	Design and Implementation	17,076,451	38,549,839
Customer #2	Design and Implementation	16,050,177	-
Customer #3	Design and Implementation	8,485,161	-
Customer #4	Design and Implementation	6,652,313	-

40. FINANCIAL INSTRUMENTS

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

40.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia ("RM"). The currencies giving rise to this risk are primarily United States Dollar ("USD"), and Euro Dollar ("EURO"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currency for working capital purpose.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

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

	The Group 2024				
	United States Dollar RM	Euro Dollar RM	Others RM	Ringgit Malaysia RM	Total RM
Financial Assets					
Trade receivables	-	-	-	13,877,949	13,877,949
Finance lease receivables	-	-	-	32,683,775	32,683,775
Other receivables	-	-	-	250,189	250,189
Fixed deposits with licensed banks	-	-	-	3,675,489	3,675,489
Cash and bank balances	256,091	233,390	16,860	8,806,252	9,312,593
	256,091	233,390	16,860	59,293,654	59,799,995

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

	United States Dollar RM	Euro Dollar RM	Others RM	Ringgit Malaysia RM	Total RM
<u>Financial Liabilities</u>					
Trade payables	58,067	167	12,297	19,807,298	19,877,829
Other payables and accruals	-	-	-	2,441,878	2,441,878
Amount owing to a related party	-	-	-	907,216	907,216
Term loans	-	-	-	33,395,916	33,395,916
Hire purchase payables	-	-	-	2,983,344	2,983,344
Bankers' acceptances	414,607	-	-	-	414,607
	472,674	167	12,297	59,535,652	60,020,790
Net financial (liabilities)/assets	(216,583)	233,223	4,563	(241,998)	(220,795)
Less: Net financial assets denominated in the Group's functional currencies	-	-	-	241,998	241,998
Currency exposure	(216,583)	233,223	4,563	-	21,203

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)
40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)
(i) Foreign Currency Risk (Cont'd)

	The Group 2023				
	United States Dollar RM	Euro Dollar RM	Others RM	Ringgit Malaysia RM	Total RM
Financial Assets					
Trade receivables	-	-	-	7,753,405	7,753,405
Other receivables	-	-	-	187,085	187,085
Amount owing by a related party	-	-	-	7,407	7,407
Short-term investments	-	-	-	16,348	16,348
Fixed deposits with licensed banks	-	-	-	4,439,483	4,439,483
Cash and bank balances	208,304	4,747	17,104	13,407,858	13,638,013
	208,304	4,747	17,104	25,811,586	26,041,741

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

	United States Dollar RM	Euro Dollar RM	Others RM	Ringgit Malaysia RM	Total RM
<u>Financial Liabilities</u>					
Trade payables	68,074	-	29,020	20,159,899	20,256,993
Other payables and accruals	-	-	-	1,045,366	1,045,366
Term loans	-	-	-	4,827,134	4,827,134
Bankers' acceptances	-	-	213,522	509,201	722,723
Invoice financing	-	-	-	3,050,000	3,050,000
	68,074	-	242,542	29,591,600	29,902,216
Net financial assets/(liabilities)	140,230	4,747	(225,438)	(3,780,014)	(3,860,475)
Less: Net financial assets denominated in the Group's functional currencies	-	-	-	3,780,014	3,780,014
Currency exposure	140,230	4,747	(225,438)	-	(80,461)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit/(loss) after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

(ii) Interest Rate Risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was as follows:-

	The Group	
	2024 RM	2023 RM
Fixed Rate Instruments		
Fixed deposits with licensed banks	3,675,489	4,439,483
Term loans	-	(480,596)
Bankers' acceptances	(414,607)	(722,723)
Hire purchase payables	(2,983,344)	-
Invoice financing	-	(3,050,000)
	277,538	186,164
Floating Rate Instrument		
Term loans	(33,395,916)	(4,346,538)

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

	The Group	
	2024 RM	2023 RM
Effects on Profit After Taxation		
Increase of 100 basis points	(202,891)	(32,919)
Decrease of 100 basis points	202,891	32,919

There is no impact on the Group's equity.

The Company does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

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

(b) Credit Risk

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

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk were as follows:-

- Finance lease receivables: Amount owing by 1 (2023 - Nil) non-trade receivable which constituted approximately 93% (2023 - Nil) of its finance lease receivables; and
- Trade receivables and contract assets: Amounts owing by 3 (2023 - 1) customers which constituted approximately 64% (2023 - 48%) of its trade receivables and contract assets, net of loss allowance.

(ii) Maximum Exposure to Credit Risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

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

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

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

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

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

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

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

Finance Lease Receivables, Trade Receivables and Contract Assets

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

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

Also, the Group considers any receivables having financial difficulty or with significant balances outstanding for more than a year, are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over 13 (2023 - 13) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts. The Group has identified the inflation rate as the key macroeconomic factor of the forward-looking information.

For finance lease receivables, the Group assessed the expected credit loss of each receivable individually based on their financial information and past trends of payments as there are only a few receivables. All of these receivables, which include government-related entities have low risk of default as they have a strong capacity to meet their debts.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

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

Finance Lease Receivables, Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

	Non-credit Impaired RM	Credit Impaired RM	Total RM
The Group			
<u>Trade Receivables</u>			
Balance at 1.1.2023	110,243	1,588,419	1,698,662
Additions (Note 30)	579,557	-	579,557
Reversals (Note 30)	-	(490,000)	(490,000)
Balance at 31.12.2023/ 1.1.2024	689,800	1,098,419	1,788,219
Additions (Note 30)	329,440	-	329,440
Reversals (Note 30)	(339,240)	(1,098,419)	(1,437,659)
Balance at 31.12.2024	680,000	-	680,000
<u>Contract Assets</u>			
Balance at 1.1.2024	-	-	-
Additions (Note 30)	62,000	-	62,000
Balance at 31.12.2024	62,000	-	62,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

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

Finance Lease Receivables, Trade Receivables and Contract Assets
(Cont'd)

Allowance for Impairment Losses (Cont'd)

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

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
The Group 2024				
Current (not past due)	13,446,204	-	(322,000)	13,124,204
Past due:				
- 1 to 30 days	778,370	-	(25,000)	753,370
- 31 to 60 days	671	-	(296)	375
- 61 to 90 days	180,759	-	(180,759)	-
- more than 90 days	151,945	-	(151,945)	-
Trade receivables	14,557,949	-	(680,000)	13,877,949
Finance lease receivables	32,683,775	-	-	32,683,775
Contract assets	24,085,123	-	(62,000)	24,023,123
	71,326,847	-	(742,000)	70,584,847

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

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

Finance Lease Receivables, Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the exposure to credit risk and the loss allowances recognised for both trade receivables and contract assets are as follows (Cont'd):-

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
The Group 2023				
Current (not past due)	7,757,103	(55,779)	(93,000)	7,608,324
Past due:				
- 1 to 30 days	108,370	-	(8,000)	100,370
- 31 to 60 days	28,667	-	(2,000)	26,667
- 61 to 90 days	36,044	-	(18,000)	18,044
- more than 90 days	568,800	-	(568,800)	-
Credit impaired	1,042,640	(1,042,640)	-	-
Trade receivables	9,541,624	(1,098,419)	(689,800)	7,753,405
Contract assets	29,798,795	-	-	29,798,795
	39,340,419	(1,098,419)	(689,800)	37,552,200

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

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

Other Receivables

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

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

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Cash and Bank Balances

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

(c) Liquidity Risk

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

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

The Group	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2024						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	19,877,829	19,877,829	19,877,829	-	-
Other payables and accruals	-	2,441,878	2,441,878	2,441,878	-	-
Amount owing to a related party	-	907,216	907,216	907,216	-	-
Lease liabilities	6.69 - 6.70	204,955	215,600	151,800	63,800	-
Term loans	4.02 - 8.70	33,395,916	37,963,805	9,014,963	26,286,869	2,661,973
Bankers' acceptances	5.68	414,607	414,607	414,607	-	-
Hire purchase payables	4.55 - 6.14	2,983,344	3,376,297	1,023,110	2,353,187	-
		60,225,745	65,197,232	33,831,403	28,703,856	2,661,973

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)
40.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

The Group	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2023						
Non-derivative Financial Liabilities						
Trade payables	-	20,256,993	20,256,993	20,256,993	-	-
Other payables and accruals	-	1,045,366	1,045,366	1,045,366	-	-
Lease liabilities	6.69 - 6.70	342,330	365,100	217,800	147,300	-
Term loans	3.50 - 8.70	4,827,134	6,512,855	1,092,871	2,601,774	2,818,210
Bankers' acceptances	5.47 - 5.62	722,723	722,723	722,723	-	-
Invoice financing	7.76	3,050,000	3,050,000	3,050,000	-	-
		30,244,546	31,953,037	26,385,753	2,749,074	2,818,210

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

The Company	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2024						
Non-derivative Financial Liabilities						
Other payables and accruals	-	158,233	158,233	158,233	-	-
Amount owing to a subsidiary	-	213,681	213,681	213,681	-	-
		371,914	371,914	371,914	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.2 Capital Risk Management

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

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, loans and borrowings from financial institutions less short-term funds, deposits with licensed banks and cash and bank balances. Capital includes equity attributable to the owners of the parent and non-controlling interests.

The debt-to-equity ratio of the Group and of the Company at the end of the reporting period are as follows:-

	The Group		The Company
	2024 RM	2023 RM	2024 RM
Term loans	33,395,916	4,827,134	-
Bankers' acceptances	414,607	722,723	-
Hire purchase payables	2,983,344	-	-
Invoice financing	-	3,050,000	-
	<u>36,793,867</u>	<u>8,599,857</u>	<u>-</u>
Less: Cash and cash equivalents (Note 35(d))	<u>(9,312,593)</u>	<u>(13,654,361)</u>	<u>(4,791)</u>
Net debt/(Net cash)	<u>27,481,274</u>	<u>(5,054,504)</u>	<u>(4,791)</u>
Total equity	<u>38,359,911</u>	<u>32,070,086</u>	<u>31,713,387</u>
Debt-to-equity ratio	<u>0.72</u>	<u>*</u>	<u>*</u>

Note:-

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

There were no changes in the approach to capital management during the financial year/period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.3 Classification of Financial Instruments

	The Group 2024 RM	2023 RM	The Company 2024 RM
Financial Assets			
<u>Fair Value Through Profit or Loss</u>			
Short-term investments	-	16,348	-
<u>Amortised Cost</u>			
Trade receivables	13,877,949	7,753,405	-
Finance lease receivables	32,683,775	-	-
Other receivables	250,189	187,085	-
Amount owing by a related party	-	7,407	-
Fixed deposits with licensed banks	3,675,489	4,439,483	-
Cash and bank balances	9,312,593	13,638,013	4,791
	<u>59,799,995</u>	<u>26,025,393</u>	<u>4,791</u>
Financial Liability			
<u>Amortised Cost</u>			
Trade payables	19,877,829	20,256,993	-
Other payables and accruals	2,441,878	1,045,366	158,233
Amount owing to a subsidiary	-	-	213,681
Amount owing to a related party	907,216	-	-
Term loans	33,395,916	4,827,134	-
Bankers' acceptances	414,607	722,723	-
Hire purchase payables	2,983,344	-	-
Invoice financing	-	3,050,000	-
	<u>60,020,790</u>	<u>29,902,216</u>	<u>371,914</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.4 Gains or Losses Arising from Financial Instruments

	The Group		The Company
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	23.1.2024 (date of incorporation) to 31.12.2024 RM
Financial Assets			
<u>Fair Value Through Profit or Loss</u>			
Net gains recognised in profit or loss	117,288	84,384	-
<u>Amortised Cost</u>			
Net gains recognised in profit or loss	4,256,165	19,490	-
Financial Liability			
<u>Amortised Cost</u>			
Net losses recognised in profit or loss	(1,790,333)	(735,564)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.5 Fair Value Information

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

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

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
The Group								
2024								
<u>Financial Asset</u>								
Finance lease receivables	-	-	-	-	32,683,775	-	32,683,775	32,683,775
<u>Financial Liabilities</u>								
Term loans:								
- Floating rate	-	-	-	-	33,395,916	-	33,395,916	33,395,916
Hire purchase payables								
- Fixed rate	-	-	-	-	2,983,344	-	2,983,344	2,983,344

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.5 Fair Value Information (Cont'd)

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

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
The Group								
2023								
<u>Financial Asset</u>								
Short-term investments	-	16,348	-	-	-	-	16,348	16,348
<u>Financial Liability</u>								
Term loans:								
- Fixed rate	-	-	-	-	480,596	-	480,596	480,596
- Floating rate	-	-	-	-	4,346,538	-	4,346,538	4,346,538

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

40. FINANCIAL INSTRUMENTS (CONT'D)

40.5 Fair Value Information (Cont'd)

(a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of money market funds is determined by reference to statement provided by the respective financial institution, with which the investment was entered into at the close of business at the end of the reporting period.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair value of finance lease receivables, term loan and hire purchase payables that carry fixed interest rate is determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2024	2023
	%	%
Finance lease receivables	10.47 - 26.87	-
Term loans	-	3.50
Hire purchase payables	4.55 - 6.14	-

There were no transfer between level 1 and level 2 during the financial year/period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR/PERIOD

- (a) On 6 December 2023, TSM signed a Letter of Offer with Koperasi Co-opbank Pertama Malaysia Berhad amounting to RM35 million. On 22 March 2024, TSM entered into a Facility Agreement where the proceeds were drawdown on 3 May 2024 to lease to public sector under a finance lease arrangement. The ICT equipment has been fully paid to the supplier upon drawdown of the term loan.
- (b) On 26 March 2024, TSM signed a Letter of Offer for Hire Purchase Facility with PLC Credit & Factoring Sdn. Bhd. for a total facility loan limit of RM50 million and subsequently on 29 November 2024, TSM entered into a Hire Purchase-i Agreement. The proceeds were partially drawdown on 31 December 2024 amounting RM2,572,899 to pay suppliers for the purchase of ICT equipment to lease to public sector under a finance lease arrangement. The ICT equipment has been fully paid to the supplier upon drawdown of the hire purchase loan.

42. SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

- (a) On 22 January 2025, the Company issued a prospectus in connection with the Initial Public Offering ("IPO") and the listing of shares ("Listing") of the Company on the ACE Market of Bursa Securities. The IPO and Listing involved the following events:-
 - (i) Public issue of 125,000,000 issue shares at IPO Price, representing 25% of the entire enlarged Shares in the following manner:-
 - 25,000,000 issue shares, representing 5% of the entire enlarged shares made available for application by the Malaysian Public;
 - 25,000,000 issue shares, representing 5% of the entire enlarged shares made available for application by the eligible persons;
 - 12,500,000 issue shares, representing 2.5% of the entire enlarged shares made available by way of private placement to selected investors; and
 - 62,500,000 issue shares, representing 12.5% of the entire enlarged shares made available by way of private placement to identified Bumiputera investors approved by Ministry of Investment, Trade and Industry Malaysia.
 - (ii) Offer for sale of 25,000,000 offer shares, representing 5% of the entire enlarged shares made available at the IPO Price by way of private placement to selected investors.
- (b) On 18 February 2025, the Company was successfully admitted to the Official List of Bursa Securities with the listing of and quotation for its entire enlarged issued share capital comprising 500,000,000 ordinary shares on the ACE Market of Bursa Securities.
- (c) On 28 February 2025, TSM increased its issued and paid-up share capital from RM12,000,000 to RM20,000,000 by way of issuance of 8,000,000 new ordinary shares for a cash consideration of RM8,000,000. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the TSM.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

43. COMPARATIVE FIGURES

(a) The Group

The comparative figures of the Group were presented based on the financial statements of the Company and TSM, as if the restructuring had occurred before the start of the earliest period presented.

(b) The Company

These are the first set of the Company's financial statements since its date of incorporation. Hence, no comparative figures are presented.

LIST OF PROPERTIES

LIST OF PROPERTIES AS AT 31 DECEMBER 2024

No.	Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ Built-up area (square feet)	Date of Purchase	Age of building (years)	Audited net book value as at 31 December 2024 (RM'000)
1.	21 & 21-1, Jalan Suria Puchong 4, Pusat Perniagaan Suria Puchong, 47110 Puchong, Selangor/ H.S.(D) 314968, PT 82493, Mukim Petaling, Daerah Petaling, Negeri Selangor	Two-storey shop office/ Office/ 99-year leasehold expiring on 27 May 2097/ Building	2,002.1/ 3,746.0	24 November 2021	3	1,034
2.	22, 22-1 & 22-2, Jalan Suria Puchong 6, Pusat Perniagaan Suria Puchong, 47110 Puchong, Selangor/ H.S.(D) 314982, PT 82507, Mukim Petaling, Daerah Petaling, Negeri Selangor	Three-storey shop office/ Office/ 99-year leasehold expiring on 27 May 2097/ Building	2,787.9/ 5,826.0	15 November 2013	11	1,897

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING ("IPO")

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 February 2025 ("Listing"). In conjunction with the Listing, the Company issued its prospectus on 22 January 2025 and undertook a public issue of 125,000,000 new ordinary shares at an issue price of RM0.20 per share, raising total gross proceeds of RM25.00 million ("IPO Proceeds").

The IPO Proceeds arising from the public issuance of RM25.00 million accrued entirely to the Group are planned to be utilised in the following manner:

Utilisation of proceeds	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Estimated timeframe from utilisation from date of Listing
Working capital	11,480	N/A	Within 24 months
Repayment of bank borrowings	5,000	N/A	Within 6 months
Recruitment of business development personnel	2,718	N/A	Within 30 months
Capital expenditure	2,302	N/A	Within 24 months
Estimated listing expenses	3,500	N/A	Within 1 month
Total	25,000	N/A	

As at the end of FYE 2024, the IPO is pending completion and hence there was no utilisation of IPO Proceeds.

Note:

The utilisation of proceeds as disclosed above should read in conjunction with the Prospectus of the company dated 22 January 2025.

2. AUDIT AND NON-AUDIT FEES

During the FYE 2024, the amount of audit and non-audit fees paid or payable to the external auditors' firm by the Company and the Group are as follows:

	Company RM	Group RM
Audit fees	55,000	136,000
Non- audit fees		
• Review of Statement on Risk Management and Internal Control	6,000	6,000
• Special audit	5,000	73,788
Total	66,000	215,788

ADDITIONAL COMPLIANCE INFORMATION

3. MATERIAL CONTRACTS

During the FYE 2024, there was no material contracts entered into by the Group and its subsidiaries involving Directors' and major shareholders.

4. MATERIAL PROPERTIES

During the FYE 2024, the Group did not own any property of which its net book value is 5.0% or more of the consolidated total assets.

5. RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

During the FYE 2024, there were no significant recurrent related party transactions of a revenue or trading nature which required shareholders' mandate.

ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

SHARE CAPITAL

Total number of issued shares	:	500,000,000
Class of shares	:	Ordinary shares
Voting rights	:	One (1) vote for each ordinary shares held

DISTRIBUTION OF SHAREHOLDINGS AS AT 28 MARCH 2025

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of shares
Less than 100	2	0.071	100	0.000
100 to 1,000	286	10.095	121,200	0.024
1,001 to 10,000	1,385	48.888	7,503,100	1.501
10,001 to 100,000	949	33.498	32,868,000	6.573
100,001 to less than 5.0% of issued shares	209	7.377	109,663,850	21.933
5.0% and above of issued shares	2	0.071	349,843,750	69.969
	2,833	100.000	500,000,000	100.000

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 28 March 2025 are as follows:

Name of Directors	No. of shares held			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Ab Rahim bin Abu Bakar	200,000	0.04	-	-
Tan Hock Lim	295,156,250	59.03	-	-
Mohd Fadzil bin Mohd Daud	54,687,500	10.94	-	-
Datin Shafinaz binti Abdul Rani	200,000	0.04	-	-
Yap Choo Cheng	200,000	0.04	-	-
Lim Su May	200,000	0.04	-	-

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5.0% or more of the issued capital) based on the Register of Substantial Shareholders of the Company as at 28 March 2025 and their shareholdings are as follows:

Name of substantial shareholders	No. of shares held			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
Tan Hock Lim	295,156,250	59.03	-	-
Mohd Fadzil bin Mohd Daud	54,687,500	10.94	-	-

ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 28 MARCH 2025)

No.	Name of shareholders	No. of shares	%
1.	TAN HOCK LIM	295,156,250	59.031
2.	MOHD FADZIL BIN MOHD DAUD	54,687,500	10.937
3.	FONG SIEW SIAN	5,000,000	1.000
4.	LIM SIEW KONG	4,320,000	0.864
5.	PHANG YU SHANG	4,000,000	0.800
6.	LIM CHAN KEONG	3,190,400	0.638
7.	NG KUAN HUA	2,550,000	0.510
8.	ONG ANN GEE	2,500,000	0.500
9.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	2,147,600	0.429
10.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR EAC FUND	2,000,000	0.400
11.	LEE SUAN CHENG	2,000,000	0.400
12.	OOI POH CHUAN	2,000,000	0.400
13.	KOW CHAN LAN	1,850,000	0.370
14.	AFFIN HWANG INVESTMENT BANK BERHAD CLR FOR PELABURAN MARA BERHAD (165)	1,630,000	0.326
15.	GOH KAH CHONG	1,581,600	0.316
16.	AMANAHRAYA TRUSTEES BERHAD FOR MALAYSIA FRANCE INSTITUTE SDN BHD	1,500,000	0.300
17.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SWEE HENG (MM1118)	1,500,000	0.300
18.	CHUA WAI KEONG	1,500,000	0.300
19.	GOOI BOON CHONG	1,500,000	0.300
20.	LOW CHEE THEAN	1,242,000	0.248
21.	CHOW PENG LUN	1,215,000	0.243
22.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW CHUI LUAN (E-SKN)	1,209,700	0.241
23.	NG KOK WENG	1,186,000	0.237
24.	GOH KAH CHONG	1,179,500	0.235
25.	JANICE YAP SUI YEE	1,073,600	0.214
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA KIAH HOW	1,063,000	0.212
27.	ABDUL RASHID HUSSAIN	1,000,000	0.200
28.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHEE LIP	1,000,000	0.200
29.	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SENTOSA JAYA CAPITAL SDN BHD (MGNM83401)	1,000,000	0.200
30.	LIM ANN KOK	1,000,000	0.200
Total		402,782,150	80.551

NOTICE OF SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2nd Annual General Meeting ("2nd AGM") of TechStore Berhad will be held at DeRoses Hall - Floral Crystal Event Space, F-02-01, F-02-02, F-02-03 Conezion Commercial, Persiaran IRC 3, IOI RESORT CITY, 62502 Putrajaya, Wilayah Persekutuan Putrajaya on Tuesday, 24 June 2025 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note (1)**
2. To approve the payment of Directors' fees and other benefits of up to RM318,000.00 to the Non-Executive Directors for the period from 25 June 2025 up to the conclusion of the next AGM of the Company. **Ordinary Resolution 1**
3. To re-elect the following Directors who retire by rotation pursuant to Clause 106(1) of the Company's Constitution and being eligible, have offered themselves for re-election:
 - (a) Tan Hock Lim **Ordinary Resolution 2**
 - (b) Datin Shafinaz binti Abdul Rani **Ordinary Resolution 3**
4. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following resolutions:

5. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 5**

"THAT approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act 2016 ("the Act") read together with Clause 61 of the Company's Constitution.

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10.00% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad ("Bursa Securities") allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

6. To transact any other business of which due notices shall have been given in accordance with the Act.

By order of the Board,

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

Thien Lee Mee (LS0010621/ SSM PC No. 201908002254)

Company Secretaries

W.P Kuala Lumpur

Dated 30 April 2025

NOTICE OF SECOND ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative may but need not be a member of the Company.
2. The power of attorney or an office copy or a notarially certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its common seal or in the manner authorised by its constitution.
3. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
5. Only members whose names appear in the Record of Depositors as at 16 June 2025 shall be entitled to attend and vote at the meeting or appoint a proxy or proxies to attend and vote on his/her behalf.
6. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or an office copy or a notarially certified copy of that power or authority, must be deposited with Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") not less than 48 hours before the time appointed for the taking of the poll or no later than Sunday, 22 June 2025 at 10.00 a.m.. The Form of Proxy can be submitted through either one of the following avenues:
 - (i) Lodgement of Form of Proxy in hard copy To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) Electronic lodgement of Form of Proxy The Form of Proxy can be lodged electronically via Tricor's TIIH Online website at <https://tiah.online>. Please follow the procedures for electronic lodgement of Form of Proxy in the Administrative Guide for the 2nd AGM.

EXPLANATORY NOTES: -

1. Audited Financial Statements for the financial year ended 31 December 2024

Agenda 1 is meant for discussion only as Section 340(1)(a) of the Act does not require formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1 - Payment of Directors' Fees and other Benefits

The proposed Ordinary Resolution 1 is to facilitate the payment of Directors' Fees payable to the Directors.

The other benefits comprise the allowances and other benefits. The total estimated amount of other benefits payable is calculated based on the number of scheduled Board's and Board Committees' meetings from 25 June 2025 up to the conclusion of the next AGM of the Company.

NOTICE OF SECOND ANNUAL GENERAL MEETING

3. Ordinary Resolutions 2 to 3 - Re-election of Director under Clause 106(1) of the Company's Constitution

Clause 106(1) of the Company's Constitution provides that an election of Directors shall take place each year at the annual general meeting of the Company, where one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the closed of the meeting at which he retires.

For the purpose of determining the eligibility of the Director to stand for re-election at this AGM, the Board through its Nomination Committee had assessed the performance and contribution of each of the retiring Director. Based on the results of the respective Directors' performance evaluation conducted, the Board is satisfied with the Directors' performance and the level of contribution to the Board through their knowledge, skills and commitment as well as their abilities to act in the best interest of the Company.

The Board has therefore recommended Tan Hock Lim and Datin Shafinaz binti Abdul Rani who are standing for re-election as Directors of the Company in accordance with Clause 106(1) of the Company's Constitution and being eligible, have offered themselves for re-election at the 2nd AGM of the Company. The profile of the retiring Directors are set out in the Directors' Profile of the Annual Report 2024.

4. Ordinary Resolution 4 - Re-appointment of Auditors

The Board, through the Audit & Risk Management Committee had reviewed and was satisfied with the performance and independence of Crowe Malaysia PLT during the financial year under review. The Board has therefore recommended the re-appointment of Crowe Malaysia PLT as external auditors of the Company for the financial year ending 31 December 2025.

5. Special Business - Ordinary Resolution 5

Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 10.00% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares were issued by the Company. With this General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 61 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares

(1) Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

NOTICE OF SECOND ANNUAL GENERAL MEETING

Clause 61 of the Company's Constitution provides as follows:

"Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled.

The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause. For the avoidance of doubt, where approval of the Members is obtained in a general meeting for any issuance of shares or convertible Securities, including approvals obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable. In any case and in respect of any issuance of shares or convertible Securities, the pre-emptive rights of members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of the pre-emptive rights to the new Shares shall not apply.

Subject to the Act and Listing Requirements the Board is authorised, without a resolution of the Company, to:

- (a) allot shares or grant any rights to subscribe for shares, under an offer made to shareholders in proportion to the shareholders' shareholdings;
- (b) allot shares or grant any rights to subscribe for shares on a bonus issue to shareholders in proportion to the shareholders' shareholdings; or
- (c) allot shares or grant any rights where shares are to be issued as consideration or part consideration for the Company to acquire shares or assets. Shareholders must be notified of the intention to issue such shares at least fourteen (14) days before their issue."

The proposed Ordinary Resolution 5, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. As at the date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at the 2nd Annual General Meeting.

The retiring Directors have confirmed that they do not have any existing or potential conflict of interest in the business or family that could affect the execution of their role as Directors.

2. Statement relating to general mandate for issue of securities in accordance with Rule 6.04 of the ACE Market of Listing Requirements of Bursa Securities.

Details of the general mandate to allot shares in the Company pursuant to Sections 75 & 76 of the Act are set out in Explanatory Note of the Notice of the 2nd AGM.

TECHSTORE

TECHSTORE BERHAD

Registration No. 202401003419 (1549269-M)
(Incorporated in Malaysia)

Number of shares held:-	
CDS account no.-	

PROXY FORM

I/We * _____
(Full name in capital letters)

NRIC /Passport/Registration No. * _____ of _____

(Full address)

being a *Member/Members of **TECHSTORE BERHAD** [Registration No. 202401003419 (1549269-M)] hereby appoint(s):

Full Name (IN BLOCK LETTERS)	NRIC/ Passport No.:	% of shareholdings
Contact No.	Email address	
Address:		

* and/or

Full Name (IN BLOCK LETTERS)	NRIC/ Passport No.:	% of shareholdings
Contact No.	Email address	
Address:		

or* failing him/her *, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on my/our behalf at the Second Annual General Meeting ("2nd AGM") of TechStore Berhad to be held at DeRoses Hall - Floral Crystal Event Space, F-02-01, F-02-02, F-02-03 Conezion Commercial, Persiaran IRC 3, IOI RESORT CITY, 62502 Putrajaya, Wilayah Persekutuan Putrajaya on Tuesday, 24 June 2025 at 10.00 a.m. or at any adjournment thereof.

(Please indicate with an "X" in the space provided below on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

No.	Agendas	Resolution	FOR	AGAINST
1.	Payment of Directors' Fees and other benefits of up to RM318,000.00 to the Non-Executive Director for the period from 25 June 2025 up to the conclusion of the next AGM of the Company.	Ordinary Resolution 1		
2.	Re-election of Tan Hock Lim as Director pursuant to Clause 106(1) of the Company's Constitution.	Ordinary Resolution 2		
3.	Re-election of Datin Shafinaz binti Abdul Rani as Director pursuant to Clause 106(1) of the Company's Constitution.	Ordinary Resolution 3		
4.	Re-appointment of Messrs. Crowe Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4		
5.	As Special Business: Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 5		

Signed this on this _____ day of _____ 2025.



Signature of Shareholder or Common Seal

* Delete the words "or failing him/her, the Chairman of the Meeting" if you do not wish to appoint the Chairman of the meeting to be your proxy.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative may but need not be a member of the Company.
2. The power of attorney or an office copy or a notarially certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its common seal or in the manner authorised by its constitution.
3. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
5. Only members whose names appear in the Record of Depositors as at 16 June 2025 shall be entitled to attend and vote at the meeting or appoint a proxy or proxies to attend and vote on his/her behalf.
6. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or an office copy or a notarially certified copy of that power or authority, must be deposited with Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") not less than 48 hours before the time appointed for the taking of the poll or no later than Sunday, 22 June 2025 at 10.00 a.m.. The Form of Proxy can be submitted through either one of the following avenues:
 - (i) Lodgement of Form of Proxy in hard copy To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) Electronic lodgement of Form of Proxy The Form of Proxy can be lodged electronically via Tricor's TIH Online website at <https://tiah.online>. Please follow the procedures for electronic lodgement of Form of Proxy in the Administrative Guide for the 2nd AGM.

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STAMP

The Poll Administrator

TechStore Berhad

Registration No. 202401003419 (1549269-M)
c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

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TECHSTORE

TECHSTORE BERHAD

(202401003419 (1549269-M))
(Incorporated in Malaysia)

20-2 Jalan Suria Puchong 6,
Pusat Perniagaan Suria Puchong,
47110 Puchong,
Selangor Darul Ehsan

Tel: +603-8940 6688
Fax: +603-8940 6699
Email: info@tech-store.com.my

www.techstore.com.my